Daily Report

Latin America

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Argentina To Hold Mercosur Chairmanship for Six Months

PY1601225096 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1104 GMT 16 Jan 96

[FBIS Translated Text] Buenos Aires, 16 Jan (NA) — During the next six months, Argentina will hold the Mercosur [Common Market of the South] chairmanship, placing special emphasis on establishing a transition toward a common vehicle trade system and a deregulation program for those products that still have not been included in the free regional trade system.

The Argentine delegation will hold the Mercosur pro tempore chairmanship in keeping with the Asuncion Treaty terms, establishing alternating chairmanships.

The government will attempt to raise two issues, as it is interested in resolving them to enhance its relationship with Brazil: the deregulation of products under the interregional trade system; and the transition toward a common vehicle trade system.

These two issues are of vital importance for Argentina as they have a direct impact on exports to Brazil and, therefore, on the prospects for the Brazilian trade balance.

The agenda also includes a meeting between Mercosur members and representatives of NAFTA — a free trade zone comprising the United States, Canada, and Mexico — which has been scheduled for 28-29 February in Buenos Aires.

Negotiations on an agreement signed between the Mercosur and the EU countries in late 1995 will be held in Brussels on 27 March.

On 31 March efforts will be made to achieve an integral agreement with Chile, including Chile's trade liberalization and physical integration into the regional trade.

The Common Market Group, Mercosur's executive body, will meet in April and June to discuss the free trade zone's development.

During the next six months, efforts will also be made to implement a free trade zone with Bolivia, in keeping with talks held with the Bolivian Government.

Andean Pact Vice Ministers To Meet in Lima

PY1501105596 Madrid EFE in Spanish 1928 GMT 12 Jan 96

[FBIS Translated Text] Quito, 12 Jan (EFE) — It was reported today that the vice ministers of foreign affairs and of industry and commerce of Bolivia, Colombia, Ecuador, Peru, and Venezuela will meet in Lima by the end of January to analyze the institutional modernization process of the so-called Andean Pact.

Jose Vicente Maldonado, Ecuadoran industry, commerce, integration, and fisheries minister, told EFE that at the meeting of delegates of the five Andean nations, members of the so-called Cartagena Agreement will also analyze the current situation of the institutional reform process, which will be developed on orders of the presidents of those five countries.

"There is no consensus yet on that reform, but in general the idea is to modernize the institutions" that rule the Andean Pact, Maldonado said. He is also president of the Cartagena Agreement Commission.

Referring to relations of the Andean nations with members of the Common Market of the South (Mercosur: Argentina, Brazil, Paraguay, and Uruguay), Maldonado said that each of the Andean nations must establish bilateral agreements with those nations by December 1996.

Bolivia has already concluded its negotiations process; Venezuela is still negotiating, and it is followed by Ecuador, Colombia, and Peru, the minister said.

Rio Group Satisfied Over 15 Dec Mercosur-EU Agreement

PY0501182396 Quito Voz de Los Andes in Spanish 1700 GMT 5 Jan 96

[FBIS Translated Text] The Rio Group member countries have voiced great satisfaction over the intraregional framework economic and commercial cooperation agreement between Mercosur [Common Market of the South] and the EU. This agreement, which was signed during the Madrid summit on 15 December 1995, sets the grounds for a future partnership based on the progressive and reciprocal liberalization of trade, a greater political dialogue, and greater cooperation between the two regions.

The Rio Group again notes the importance of the institutionalized dialogue the Rio Group and the EU have maintained within the framework of common principles and interests to further tighten economic and commercial ties between the two regions.

Foreign Minister Galo Leoro, in his capacity as temporary secretary of the Rio Group, is now distributing to the media a declaration of the permanent consultation and political agreements mechanism regarding the signing, on 15 December 1995, of the intra-regional economic and commercial cooperation framework agreement between Mercosur and the EU.

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Cuba

President Castro Attends Funeral of Mitterrand in France

Visits Madame Mitterrand

PA1201184196 Havana Radio Havana Cuba in Spanish 1300 GMT 12 Jan 96

[From the "Morning Information News" newscast]

[FBIS Translated Text] President Fidel Castro has visited Danielle Mitterrand, widow of French President Francois Mitterrand, at her residence in downtown Paris to convey his condolences and those of the Cuban people in the wake of the European statesman's death.

The president of the France Liberte Foundation thanked the Cuban leader for traveling to Europe to express his sorrow for the loss of Mitterrand, who was buried today during a private ceremony in his hometown Jarnac.

Fidel Castro visited Madame Mitterrand after attending a luncheon that French President Jacques Chirac offered at the Elysee Palace to the delegation heads of 150 countries who arrived in Paris for the funeral of the former Socialist leader.

Returns From France

PA1301134396 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 13 Jan 96

[From the "NTV" newscast]

[FBIS Translated Text] Commander in Chief Fidel Castro arrived in Havana from Paris this afternoon at 1830. Castro headed the Cuban delegation that attended the funeral of Francois Mitterrand in France. Upon his arrival in Havana, Castro was greeted by Army General Raul Castro, minister of the Revolutionary Armed Forces, Revolutionary Commander Juan Almeida, Interior Minister Abelardo Colome Ibarra, and Comrade Carlos Lage Davila, secretary of the Council of Ministers.

Stresses Respect, Friendship of Mitterrand

PA1601121296 Havana PRENSA LATINA in Spanish 0139 GMT 15 Jan 96

[FBIS Translated Text] Havana, 14 Jan (PL) — President Fidel Castro has stressed the position of respect and friendship toward Cuba always maintained by recently deceased former French President Francois Mitterrand, whose funeral he attended in Paris this week.

In an interview published by the weekly JUVENTUD REBELDE today, the leader recollects that Mitterrand visited Havana in the 1970's and that he had several opportunities since then to exchange with him views on various topics of international politics and bilateral relations.

He has said "this does not mean we agreed on everything, but I admired and thanked him, on behalf of our people, the Cuban people, for his courageous position regarding the U.S. blockade, the manner in which he promoted economic relations between our countries, and his position regarding the Third World."

Asked about his personal friendship with Mitterrand, Fidel Castro confirmed that relationship and said "the most important aspect is that he was a friend of Cuba, that his position as a politician, as the president of France, was always of respect and friendship toward Cuba."

"I also have great appreciation for Danielle Mitterrand, everything she does, her humanitarianism, kindness, and her sincere friendship with Cuba," he added.

In an interview held a few hours after the funeral, Castro conveyed to Mitterrand's widow his condolence and that of the Cuban people. His gesture was doubly appreciated, especially after making such a long and tiresome trip.

The president said regarding Mitterrand's funeral that "the posthumous homage paid by the French people and government and by political leaders from all over the world demonstrates the respect he earned as a statesman, a political leader, and a man of ideas."

"I greatly admired the fortitude he demonstrated in facing his illness. He must have suffered greatly. Despite this, he did not stop working until the last moment, until his last breath. This is truly admirable and shows the temper of an exceptional man," Castro has said.

He also said during an interview conducted in Paris with Soledad Cruz, Cuban journalist and Cuban Ambassador to UNESCO, that he deeply thanked the then French chief of state for the reception offered in his honor last year on the occasion of his visit to France.

He said "it was a memorable trip in which Mitterrand, once again, confirmed his feelings of respect and friendship toward Cuba."

Concerning his recent visit to Paris to attend the funeral of the illustrious politician, Fidel Castro said the invariable posture he maintained regarding Cuba "justifies making such a long trip, with so little time to prepare, and amid all the work we have pending in Cuba."

"Friendship and gratitude justify any effort under circumstances of this type," he has said.

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Czech Minister Dlouhy Arrives for 3-Day Visit

PA1201190196 Havana PRENSA LATINA in Spanish 0130 GMT 12 Jan 96

[FBIS Translated Text] Havana, 11 Jan (PL) — Vladimir Dlouhy, minister of industry and trade of the Czech Republic, began a three-day visit to Cuba that seeks to increase economic ties between the two countries.

Dlouhy is heading a delegation of businessmen in the areas of energy, machinery, and the automobile industry, interested in making contacts with Cuban businessmen.

During his brief stay in the island, the Czech official will meet with Ibrahim Ferradaz Garcia, minister of foreign investment and economic cooperation, Basic Industry Minister Marcos Portal, Foreign Commerce Ricardo Cabrisas, and others.

He will also visit the Felton Thermoelectric Plant, located in eastern Holguin Province and built with Czech technology, the Matanzas industrial zone, and the well-known Varadero beach resort, also located in that province. According to sources at the Prague Embassy in Havana, Dlouhy's visit is a continuation of the contacts made by Deputy Foreign Minister Pavel Bratinka during his visit to Caribbean island nation in late 1994.

Commercial matters and the analysis of an agreement to protect and promote investments are included among the main topics the Czech leader will discuss with Cuban authorities.

Concludes Visit, Sees Beneficial Exchanges

PA1601224896 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 15 Jan 96

[From the "NTV" newscast]

[FBIS Translated Text] Upon concluding his visit to Cuba, Vladimir Dlouhy, Czech minister of industry and trade, stressed the significance of his meetings with Cuban leaders. On this occasion, the two sides signed a protocol to finish the second phase of the Felton Electricity Plant. (Ismael Tantao) has the following report.

[Begin recording] [Tantao] Dlouhy expressed his satisfaction with the results of his meetings with the Cuban side. Dlouhy met with Carlos Lage, vice president of the Council of State, and the ministers of basic industry, iron and steel mechanics [sideromecanica], foreign trade, and foreign investment and economic cooperation. Irrespective of political considerations, the distinguished guest spoke with optimism about the mutually beneficial exchange for the Cuban and Czech economies in the fields of energy, petrochemicals, and tourism, among others.

[Dlouhy] I believe my visit to Cuba has opened up possibilities for Czech companies, and following my visit, we can expect a greater participation of Czech companies in the development of the Cuban economy. [end recording]

Party, State, Government Leaders Meet Chilean Delegation

PA1201182896 Havana Cubavision Television in Spanish 0100 GMT 12 Jan 96

[Report by Estrella Fresnillo; from the "NTV" newscast]

[FBIS Translated Text] Carlos Lage, vice president of the State Council, Foreign Minister Roberto Robaina, and other party, state, and government leaders greeted the Chilean delegation, led by Chilean Foreign Minister Jose Miguel Insulza, at the Palace of the Revolution. On this occasion, the Cuban and Chilean parties signed a cooperation agreement in the energy sector.

[Begin recording] [Unidentified Chilean delegation member] We believe that in the coming months, in the coming years, we will be able to undertake joint activities and projects, which will enable Cuba to meet its energy requirements, and Chilean companies to contribute their expertise and technology, and earn the profits that [words indistinct].

[Basic Industry Minister Marcos Portal] We discussed the possibilities for exchange with Chile. These talks are still at a preliminary level. We cannot say yet that we have reached an agreement. This was only a first meeting; however, we believe this exchange will be beneficial for both Cubans and Chileans. [end recording]

Castro, Health Minister Meet Chile's Insulza

PA1201193596 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Jan 96

[Report by Gisela Bel Heredia; from the "National Radio News" program]

[FBIS Translated Text] Today's meeting between Health Minister Carlos Dotres and Chilean Foreign Minister Jose Miguel Insulza at the Health Ministry can be described as an important step toward stronger relations and cooperation between the two countries. Dotres reported on guarantees to the development of health care programs and plans and implementation of the primary health care system. He also discussed the training of professionals, pharmaceuticals manufacturing, and all other affairs that the Ministry handles. Insulza expressed his interest in expanding

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bilateral relations, in Chilean doctors graduating from Cuban schools, and in the possibility of exchanging public health care program experiences. Insulza also mentioned meetings with other Cuban officials:

[Begin Insulza recording] I was pleasantly surprised at a dinner party yesterday to get the chance to meet President Fidel Castro. Our delegation was honored with his presence. We discussed issues of interest not only to both countries but also to Latin America, including the importance of Latin American unity and solidarity today. I, personally, was very satisfied with this visit. Our relations have stabilized and are developing adequately in all areas. I can only add that the development of common interests will grow stronger in the future. [end recording]

Insulza will meet Ibrahim Ferradaz, foreign investment and economic cooperation minister. The Chilean foreign minister and the delegation accompanying him will attend the signing of a cooperation agreement this afternoon as part of their tour.

Cooperation Agreements Signed

PA1201200696 Havana PRENSA LATINA in Spanish 0035 GMT 11 Jan 96

[By Javier Rodriguez]

[FBIS Translated Text] Havana, 10 Jan (PL) — Chilean and Cuban officials signed basic agreements on cooperation and on promoting and protecting investments at the end of Chilean Foreign Minister Jose Miguel Insulza's visit to Havana today.

Insulza and Cuban Foreign Minister Roberto Robaina signed the documents during a ceremony at which the two ministers recognized the broad potential for bilateral cooperation and the successful development of talks between Cuban and Chilean businessmen and officials.

Insulza said that he was pleased with his visit and that he was convinced that both Chile and Cuba are interested in "balanced political, economic, commercial, and cultural relations."

He announced that he will meet with the joint intergovernmental commission in June or July on the cooperation issue, adding that officials are investigating the possibility of a partial commercial agreement.

He expressed appreciation for the attention that he received during his visit, describing President Fidel Castro as kind for having met with him on various topics. Insulza clarified for one reporter that any decision regarding domestic matters is the sole concern of each country's sovereign faculty.

Chilean Energy Minister Alejandro Jadresic said that the two sides are working quite seriously on the future development of projects in Cuba. He confirmed that Chile's national oil company will send a delegation to Cuba during the first quarter of the year to assess oil exploration possibilities.

Jadresic added that he discussed technical energy cooperation programs with Basic Industry Minister Marcos Portal and was able to confirm the high professional quality of Cuban energy workers.

Chilean Economy Under Secretary Angel Maulan noted that businessmen from the two countries reached agreements in the lumber sector, emphasizing the manufacturing of products, and that Chilean real estate companies are considering a possible investment for the construction and management of hotels in Cuba.

Maulan pointed out that other areas that drew the attention of Chilean investors include the marketing of tires and the management of ports and free zones.

Jadresic also described the oil refinery in central Cienfuegos Province that he visited as impressive. He reported that Chilean and Cuban officials held preliminary talks on its features and potential.

Foreign Minister Roberto Robaina stressed that the exchange between the two delegations was fruitful and intense, with the prospect of "clarifying for the world the decision that led us to take the very significant step of restoring our diplomatic relations in 1995."

Robaina stressed: We do not want relations to be merely formal or historic; we want to prove that they are deeply rooted and very agreeable.

Robaina noted that the two countries are pleased with history as it has been written thus far and look forward to the future.

He stressed that Cuba is pleased to see that practical action — which has proved a distinctive trait of the visit that Insulza and his delegation are paying — will characterize bilateral relations in the future.

Although the Chilean delegation reportedly will depart Cuba on 11 January, several businessmen and legislators will remain in Cuba for several more days.

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Robaina To Attend Guatemalan President's Inauguration

PA1201232296 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Jan 96

[Report by Barbara Bethancour, from the "Evening Information Review" newscast]

[FBIS Translated Text] Foreign Ministry Spokesman Miguel Alfonso has stated that Foreign Minister Roberto Robaina Gonzales will travel to Guatemal. on Friday to attend the swearing-in ceremony of new Guatemalan President Alvaro Arzu.

[Begin Alfonso recording] I believe this is a friendly gesture on the part of the Guatemalan Government that may or may not have consequences and should not be concealed; on the contrary, it should be acknowledged as a gesture of courtesy toward the invited country. [end recording] This is what the spokesman concluded.

Alfonso described the visit of Chilean Foreign Minister Jose Miguel Insulza as positive.

[Begin Alfonso recording] The visit had a positive influence on the bilateral relations. As all of you know, two documents were signed. These documents will serve as the foundation to develop that relationship. [end recording]

Alonso confirmed the reopening of the Cuban diplomatic service in Copenhagen, Denmark. He also announced the upcoming visit of Brazilia Governor Cristobal Buarque to Cuba.

[Begin Alonso recording] It will constitute the beginning of a series of visits by Brazilian personalities from the end of January through February. Shortly, we will announce the names of other Brazilian governors and ministers who will probably arrive in February. We still need to confirm the names and the agendas but the visits are contemplated for February. [end recording]

Alonso confirmed the current visit of U.S. deputy legislators to Cuba.

[Begin Alonso recording] This is a [word indistinct]. All visits to Cuba at present show the interest particular U.S. groups or people have in what is really happening in Cuba. I believe this is very important. We are pleased to receive people who come here with that attitude, which we encourage and want to see, especially if they come from the United States, because they can witness firsthand Cuban daily life. I believe they will stay for several days. They usually meet with official and cultural representatives.

Stops Over in Mexico City

PA1301122096 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 13 Jan 96

[Report by journalist Boris Fuentes from Mexico City; from the "NTV" newscast]

[FBIS Translated Text] A few minutes ago, Foreign Minister Roberto Robaina welcomed, at the Cuban Embassy in Mexico City, a group of 67 Cuban university students, who this morning unveiled a bust of Julio Antonio Mella at the San Carlos Park in Mexico City. Robaina, who is on a stopover visit en route to Guatemala to attend the inauguration of the new president, met with the Cuban students for more than an hour and congratulated them for upholding Cuban historical values and bringing the bust of Mella to Mexico.

This morning's unveiling ceremony was attended by the ambassadors of Venezuela, Costa Rica, Federal District officials, Cuban Ambassador to Mexico Abelardo Curbelo, Mexican friends and the group of university students headed by Federation of University Students President Alejandro Garcia Gonzalez.

Meets President Arzu, Other Leaders

PA1601220496 Havana Radio Havana Cuba in Spanish 0000 GMT 16 Jan 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Recently elected Guatemalan President Alvaro Arzu met on Monday with Foreign Minister Roberto Robaina, who attended Arzu's inauguration at the invitation of the Guatemalan Government. Arzu asked Robaina to convey a special greeting to President Fidel Castro and thanked him for Castro's well-wishing message.

The meeting between Robaina and Arzu dealt with cooperation in sports, the Cuban economic situation, as well as the possibility of improving bilateral relations.

Robaina also met with outgoing President Ramiro de Leon Carpio and Guatemalan Foreign Minister Eduardo Stein. Before that, Robaina met with Mexican President Ernesto Zedillo, Nicaraguan President Violeta Chamorro, Costa Rican President Jose Figueres, Panamanian President Ernesto Perez Balladares, and Honduran President Carlos Roberto Reina.

Lage Meets With Governor of Brasilia

PA1501194796 Havana PRENSA LATINA in Spanish 1805 GMT 12 Jan 96

[FBIS Translated Text] Havana, 12 Jan (PL) — Carlos Lage, the Council of Ministers' executive secretary,

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today received Brasilia Governor Cristovam Buarque who is on an official visit.

Lage and Buarque exchanged views about the Cuban-Brazilian bilateral relations an example of which is the agreement of brotherhood between the capitals of the two countries, an agreement that will be signed this evening.

Later on, Buarque toured Havana's 10 October Municipality and visited a people's council (a local government organ), public health installations, and a school for the handicapped.

Buarque's visit will end on Wednesday and his agenda includes meetings with leaders of the Cuban parliament and with Foreign Minister Roberto Robaina. In addition, he will give a lecture on Brazil's outlook at the end of this century, at the University of Havana.

South African Communist Party Official on Visit

PA1601222896 Havana PRENSA LATINA in Spanish 1409 GMT 13 Jan 96

[FBIS Translated Text] Havana, 13 Jan (PL) — Blade Nzimande, vice president of the South African Communist Party, has pointed out his country's interest in trading with Cuba, mainly in the education and health sectors, which are highly developed on the island.

On arriving at Jose Marti International Airport, Nzimande, who is also a member of the African National Congress' Executive Committee, said the purpose of his visit is to fulfill the agreements signed in the fields mentioned as well as in others of mutual benefit.

Nzimande, who was invited to an event to commemorate the 30th anniversary of the Afro-Asian-Latin American People's Solidarity Organization [AALAPSO], said: "South Africa has followed the Cuban Revolution's development step by step. Hence our country's interest in every visit to Cuba."

According to official sources, Nzimande will execute a tight working agenda, which includes meetings with officials of the Communist Party of Cuba and local government ministers.

Cuba and South Africa established relations when anti-apartheid fighter Nelson Mandela assumed office as president.

Commentary Criticizes U.S. Congress on Budget Debate

PA1201210996 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Jan 96

[Station commentary; from the "Evening Information Review" newscast]

[FBIS Translated Text] It would be in the best interests of the United States if steps were to be taken at the start of 1996 to rein in the rising ultra-rightist forces that hold a majority in the U.S. Congress. These ultra-rightist forces in the U.S. Congress are staging a wicked attack on President Bill Clinton's government in the hopes of taking him out of office in the November elections and consolidating their political control over the world's largest power.

Hiding behind the so-called Contract With America, the ultra-rightist Republican wing has attacked all social programs: Medical assistance, education, aid for the handicapped, and economic development programs with other countries. Both houses are backing a budget for the current year that drastically cuts funds to social programs, in a senseless attempt to reduce the fiscal deficit in just seven years. This bill will hurt millions of U.S. workers. The ultra-rightist forces feverishly favor and support neo-liberal economic programs, which are devastating to the rest of this continent through adjustments that increase unemployment and poverty to alarming levels. President Clinton has vetoed this budget, leaving many public services fundless and placing thousands of federal employees on furlough. Negotiations between the Republican majority in the U.S. Congress and the executive branch have gone on for weeks without any concrete results.

Only an emergency measure that was approved a few days ago has allowed the payment of wages to furloughed workers until 26 January. What will happen next is anyone's guess. It is a game that, as we have said, has favored President Clinton but has already caused much discredit to all of the political groups because the working majority of the U.S. people are suffering the consequences. The rise of the ultra-rightist wing has been marked by the barbaric attack that cost the lives of hundreds of people in Oklahoma City in 1995 and the growth of xenophobia, racism, crime, drug addiction, and pro-fascist groups. Therefore, it could lead to a social catastrophe in the United States with unpredictable consequences. Polls thus far indicate that the ultra-rightist forces that managed to gain control of the U.S. Congress are quickly losing support. It is expected that the most dangerous and negative players in U.S. politics will lose out during the elections,

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clearing the way for a more stable and progressive period at the turn of the century.

Mexican Opposition Party Leader Criticizes NAFTA Provisions

PA1601152296 Havana PRENSA LATINA in Spanish 1906 GMT 13 Jan 96

[By Ulises Canales]

[FBIS Translated Text] Havana, 13 Jan (PL) — Porfirio Munoz Ledo, president of Mexico's Party of the Democratic Revolution (PRD), complained here today that the North American Free Trade Agreement (NAFTA) facilitates the transfer of his country's assets to the United States.

NAFTA is not primarily a commercial agreement, the Mexican politician pointed out to PRENSA LATINA, and added that "it is a treaty on services, intellectual property, and energy."

Referring to what he described as very negative effects for Mexico, Munoz Ledo indicated that unfortunately NAFTA contemplates a series of commitments for Mexico — institutional and legal — that authorize the sale of fixed assets, natural resources, and territorial property to the United States.

In addition, he explained that it includes the reform of 29 Mexican laws to adjust them to U.S. legislation and enable the sale of resources in the areas of banking, insurance, land ownership, and rural estates.

This agreement constitutes a means to organize the sale of the country in exchange for the foreign debt, he noted. He maintained that even though this agreement entailed a minimum change in the area of trade, since "all it did was formalize an opening that already existed," it marked a "very unfavorable" turn in the property relations and policy between Mexico and Washington."

For example, he said that about six months ago Texas banks held auctions to sell Mexican property (estates, rural properties, industries, and others).

Munoz Ledo is visiting Cuba at the invitation of the Communist Party of Cuba [PCC] and is attending a meeting of Solidarity with the Third World. The Mexican official emphasized that during the meetings held with local authorities, he discussed the possibility of signing a Mexican-Cuban trade agreement, but with terms different from those of NAFTA.

"It is worth clarifying that the agreement we are proposing with Cuba is unlike NAFTA. It would be similar to the one Mexico has with Chile, which is truly a commercial agreement and has been working quite well," he stressed.

The Mexican opposition leader described Mexico's free trade agreement with Chile as "a treaty among equals, balanced, commercial, and not characterized by politics, submission, or dependence."

Accompanied by a PRD parliamentary delegation, Munoz Ledo met with leaders of the PCC, acting Foreign Minister Jorge Bolanos, and other officials.

During the meetings held at the Foreign Ministry, he discussed the topic of bilateral relations and voiced his interest in Mexico's investment and cooperation potential in the areas of oil and energy, the state of trade relations, and the possibility of signing a bilateral migration agreement.

Report Highlights Pharmaceutical Self-Sufficiency

PA1401151896 Havana Radio Havana Cuba in Spanish 0000 GMT 9 Jan 96

[Susana del Calvo report; from the "Evening Information Review" newscast]

[FBIS Translated Excerpt] Today we will discuss a topic that I believe is of interest to everyone: The consolidation of the national medicine program and the development of traditional and natural medicines and Cuban medical technology. Today, these are priority topics within the strategy of the national health system in Cuba.

If there is something that Cubans in general are very sensitive about, it is the health situation vis-a-vis medicines. In Cuba, we have the capacity to produce 80 percent of the 900 medicinal items. We are lacking, on average, 340 to 350 medicine items. Thanks to maintained investments, the Cuban pharmaceutical industry saves us four to five times the cost of what these medicines represent if we had to purchase them right now as a finished product.

In other words, Cuba produces 80 percent of its medicines and continues to work on this because according to the WHO, a country that has available 342 pharmaceutical items is a country that can resolve its health problems. Cuba has 900 [as heard], and despite the fact that we are still missing 350, it works with 550, which is very much higher than the 342 that the WHO specifies. [passage omitted]

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Scientific Research Center Meeting Discusses Progress

PA1701015796 Havana Radio Rebelde Network in Spanish 1255 GMT 13 Jan 96

[From the "Doing Radio" program]

[FBIS Translated Text] Dr. Carlos Gutierrez, director of the National Center for Scientific Research [CENIC], stated that the center registered positive results in 1995, during its annual assessment meeting held on Saturday. The progress of the almost 21 continuing CENIC research projects was reported during this meeting, which was presided over by Minister of Higher Education Fernando Vecino Allegret.

Among them: Approval of further use of the drug PPG as a blood platelet anti-agglutinant [antiagregante plaquetario].

It was reported that 19 countries had recognized the vast potential of PPG by the end of 1995, and this drug can now be used in cases involving vascular risk. Attaining a Cuban product to avoid the importation of the solution used in offset impression of small character type [impression offset de pequeno formato] and the study of multiple resistance to antibiotics are among the center's research projects with economic implications.

CENIC was able to self-finance its work in 1995 and consolidate its policy to achieve goals to help the country economically and in the solution of social problems, but without neglecting basic research that will lead to increasingly significant results.

Havana Officials To Raise Taxes on Self-Employed Workers

PA1201174596 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Jan 96

[From the "National Radio News" program]

[FBIS Translated Text] The Havana City Administrative Council has decided to raise taxes on the city's self-employed workers in February, in light of the results of a financial poll taken among such workers. The tax hikes range between 20 and 100 percent, depending on the job or trade involved. A total of 15,000 self-employed workers participated in the survey, volunteering figures on 1995 revenues. It was discovered that the figures on said revenues greatly surpassed the figures projected when self-employment was approved. The tax hikes aim to ensure that the self-employed worker's personal income is in proporition to his contribution to society through the current national tax system, so that the financial balance and economic welfare of the most vulnerable circles of society can be realized. Likewise, a rigorous control will be maintained in 1996 on the legality of the financial transactions of self-employed workers in an effort to prevent the alteration or corruption of the principles and rules designed for the exercise of this activity. Havana auditors last year charged those violating tax policy or the established guidelines for self-employment in Havana over 10 million pesos in fines. The new tax table will appear in the media, including LA GAZETA DE LA HAVANA.

Official on Taxes Collected

PA1301181096 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 13 Jan 96

[From the "NTV" newscast]

[FBIS Translated Text] The Cuban State collected approximately 97 million pesos in taxes from self-employed workers last year. Rafael Gonzalez director of the National Office of Tax Administration said that tax collection gradually increased each month during 1995. For example, it totaled 7.1 million pesos in January, 9.4 million in September, and 12 million pesos in December.

In a statement for the national press, Gonzalez said that there are a little more than 208,000 registered self-employed workers in the country. He added that 43 percent are linked to five activities: Food processors, taxi drivers, cocheros, carpenters, and messengers. It is expected that the number of self—employed workers could reach 300,000 in 1996, and that tax collection from those activities could be around 135 million pesos.

Light Industry Production Figures Noted

PA1201183596 Havana PRENSA LATINA in Spanish 1426 GMT 10 Jan 96

[FBIS Translated Text] Havana, 10 Jan (PL) — Cuba reported today that domestic production figures for the light industry rose 21 percent in 1996 [year as received], compared to the same period last year.

GRANMA reports the increase amounted to 475 million pesos or $475 million at the official exchange rate.

GRANMA credits the light industry (local suppliers) with overcoming the desperate situation that hampered it from 1990 to 1993, causing industry production figures to hit rock bottom.

GRANMA explains that a key element in this upsurge has been the disposal of more funds to step up production of a number of essential consumer goods.

This year's target requires more than $240 million in financing, $93.8 million of which the light industry itself

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will contribute. The rest will have to come from outside sources.

GRANMA also recalls that in 1995 renewal of the light industry was evident in that of the nearly 15,000 laid-off workers at the beginning of that period, more than 5,000 were brought into the work force that same year. A total of 85 factories that had been shut down resumed production.

Office Wants Boats Registered for Tax Purposes

PA1401213096 Havana Radio Rebelde Network in Spanish 1800 GMT 13 Jan 96

[From the "National Radio News" program]

[FBIS Translated Text] The National Tax Administration Office has asked that registered boat owners in Cuba — both Cubans and foreign nationals — report the condition of said properties to the registrar at the Harbor Master's Office. This is a first step to assessing the taxes they must pay, in keeping with Resolution 25 — dated 24 November 1995 — regarding the boat tax and with Law 73 regarding the tax system. Mariela Diaz reports:

[Begin recording] [Diaz] After registering the condition of boats with the Harbor Master's Office, beginning 1 February boat owners must appear before the registrar of the municipal tax administration office in their respective municipalities. The tax they must pay will be determined in accordance with the provisions of Resolution 25 of November 1995 and Law 73 regarding the tax system. Joaquin Cambra, a tax administration official, explained the process to the press.

[Cambra] The tax will be paid during the first quarter of every year. The amount will vary depending on the boat. A fixed rate of between 20 and 80 pesos will be levied on firms that own boats operating in rivers or man-made lakes. Those who own sailboats or commercial fishing boats — the most common type of boat found among the population — will be charged 20 pesos. Owners of motor boats and yachts used for sports fishing and recreational purposes will be charged 80 pesos.

[Diaz] Anyone who owns a boat used to transport passengers will get a 50-percent break via a boat ownership tax, which will go into effect this year. We will have more on tax provisions for 1996 in later "National Radio News" broadcasts. [end recording]

'Straight Talk': Assemblies, Worker Efficiency Evaluated

PA1401224096 Havana Radio Rebelde Network in Spanish 1700 GMT 10 Jan 96

["Straight Talk": Studio discussion between host Jose Alejandro Rodriguez and TRABAJADORES' Julio Garcia Luis and Renato Recio]

[FBIS Translated Excerpt] [Rodriguez] Our focus today is on the assemblies that are debating the theme of the 17th workers congress. Are these just any ordinary assemblies?

[Recio] These are not just any ordinary assemblies, especially since they follow so closely on the heels of the workers parliament of early 1994. Assembly participants have also proved through their level of efficiency that these are not just any ordinary assemblies. People are raising interesting and important issues at their workplaces. These topics of discussion are being followed up. These assemblies will surely prove to be hotbeds of debate; the I's will be dotted and the T's will be crossed; unions and officials will adopt principled attitudes.

[Rodriguez] It is a bit premature to describe these assemblies as hotbeds of debate.

[Garcia] Debates will intensify as the meetings progress. It is safe to say that these assemblies will address two very important subjects: The theme of the congress — which is important enough, since employment projections for the next five years will be made — and the economic plan for 1996. The country could not have devised an annual plan five years ago. Now, for the first time, with the special period, the plan is again taken up. This will be discussed at these assemblies. Two very important topics will be discussed: The immediate issue of the annual plan and the less pressing issue of the theme of the congress. The theme of the congress will lay the groundwork for union work for an entire generation, beyond the time that elapses between each congress. On the one hand, this is very good and interesting; on the other hand, these assemblies will require very careful preparation. [passage omitted]

[Rodriguez] Among the challenges that the union movement must face and that will doubtlessly come up at the 17th congress is the new economic opportunities that have appeared. In the case of foreign firms, for example, many times there is the common perception and concern over their employment policies because they come from societies where there is a different type of relationship between the union and employer. How do you view this challenge? How will this be faced?

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[Garcia] This must do precisely with what Renato said a moment ago. The union must now learn to work under different conditions, within the framework of joint ventures; Cuban enterprises; separate legal corporations; or cooperatives, like the basic cooperative production units. The unions must adapt to these changes. The unions must now learn to work. The labor law equally applies to joint ventures, Cuban enterprises, and cooperatives. This gives the union the ground rules for action, a firm base. The union must now ensure that work meets the proper standards.

[Recio] One word sums up what we must encourage in light of these changes: Efficiency. Efficiency was not widely recognized as a priority in this social structure. We can see that it will be a struggle for efficiency from here on out with regard to joint ventures, state enterprises, and cooperatives.

[Garcia] Of course. One of the basic duties of managers in these enterprises is to improve upon production factors, including the labor force.

[Recio] Correct. This will make them very demanding. They must stand firm on their technical demands and on labor discipline. On the one hand, this could backfire if not done correctly; on the other hand, the unions and the workers must take interest in this efficiency not only because it is of interest to their country or their nation or even their Revolution but also because sooner or later the idea must become generalized that every success among a collective group becomes a success in the standard of living for all workers.

[Rodriguez] Is the rank and file of our union movement ready for these challenges?

[Garcia] We cannot overlook the work that has been going on since May 1995. Participants in municipal assemblies and conferences have made great strides, laying the groundwork for the anticipated changes to take place. We have arrived at a point in our country's socialist development whereby society can regulate itself through effective representation of the parties that participate in everyday life. This was one of socialism's weaknesses in other countries.

Military Industrial Enterprise To Build Planes

PA1201185596 Madrid EFE in Spanish 2119 GMT 11 Jan 96

[FBIS Translated Text] Havana, 11 Jan (EFE) — Cuba has started to build AC-001 multiuse "Comas" planes at its "Yuriy Gagarin" Military Industrial Enterprise, the NATIONAL NEWS AGENCY (AIN) reported today during an event to mark the 60th anniversary of the first Cuban flight to Spain.

The first AC-001 plane was built four years ago and was called "Comas" after Arturo Comas, who designed an aerial velocipede a century ago.

The "Comas" has logged 400 flight hours on national territory since 10 October 1992, according to Colonel Freddy Comezanas, chief of the Antiaircraft Defense Research and Development Center of the Cuban Armed Forces [Centro de Investigacion y Desarrollo de la Defensa Antiaerea de las Fuerzas Armadas Cubanas].

"The country's economic conditions now allow generalization of production," Comezanas added. He presented a 1:4 scale model of the Cuban plane to the "Air Museum."

Museum Director Arquimedes Martinez recalled the first Cuban flight to Spain by Antonio Mendez Pelaez on 13 January 1936 from the military airdrome in Camaguey Province, 570 km east of Havana.

Holguin Electric Plant's Opening Date Possibly Delayed

PA1201172396 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Jan 96

[From the "National Radio News" program]

[FBIS Translated Text] Holguin's Felton electric plant may not open as soon as originally planned. Factors helping to push back the projected opening date include:

— the time it takes to make adjustments to ensure precision performance;

— several parts sitting in warehouses near the coast over the past several years, when construction and installation efforts declined, have deteriorated;

— the need for highly specialized training for plant personnel.

Basic Industry Minister Marcos Portal Leon recently visited the plant and told workers not to sacrifice quality in the rush to finish construction. General Manager Engineer Jorge Lopez has stressed:

[Begin Lopez recording] We have made a lot of progress. We plan to run the turbine in the next few days. We assured our minister during talks on 31 December that we believe that the plant will open in the next few months. [end recording]

An effort will also be made this year to install a second 250-megawatt generator at the plant. Parts from the first unit, which will be operational then, will be used to continue implementing the national electric service improvement project.

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Las Tunas Electricity Organizations Surpass Goals

PA1701030096 Havana Radio Rebelde Network in Spanish 1800 GMT 15 Jan 96

[From the "National Radio News" newscast]

[FBIS Translated Text] The basic electricity organization in Las Tunas generated over 20 million pesos at the close of 1995, amounting to an increase of 1 million pesos when compared to the plan, and a savings of foreign currency of over $50,000. Juan Manuel Olivares has the details.

[Olivares] A 50-percent reduction in blackouts, a decrease of 22 centavos in the cost per peso [costo por peso], an increase of productivity totaling 34,000 pesos, and the meeting of the goal of the program to repair transformer lines and [words indistinct] stand out among the successes of Las Tunas basic electricity organization workers.

To ensure the success of the sugarcane harvest, these workers replaced in record time 11 kms of electricity lines in Manati Municipality, installed 14 new transformers in collection and preprocessing centers, and encouraged over 3,500 workers through the use of the [word indistinct] system.

Two Hydroelectric Plants Planned for Villa Clara Province

PA1501012196 Havana Radio Rebelde Network in Spanish 1255 GMT 13 Jan 96

[Report by Eduardo Cruz Dominguez, in Villa Clara; from the "Doing Radio" newscast]

[FBIS Translated Text] The Villa Clara Hydraulic Resources Institute has drawn up plans for two small hydroelectric plants to be built on the Alacranes Dam — in Sagua la Grande — and in Minerva, Santa Clara. Equipment to complete the projects is in short supply, particularly the equipment needed to complete some of the more technical aspects of the projects. Officials at various levels are considering the funding needed to build these plants. The hydroelectric plant to be built on the Alacranes Dam not only will supply the Corozoso plant, in Sagua la Grande — a one-of-a-kind enterprise deemed vital to sugarcane production — with electricity but also will process water. The plant in Minerva will ensure that one of the main pumping stations in the provincial waterworks will continue to operate should there be a power outage.

Castro Sends Message to Sugar Cane Cutters

PA1401155296 Havana Radio Rebelde Network in Spanish 1800 GMT 12 Jan 96

[Report by Fernando Sanchez; from the "National Radio News" newscast]

[FBIS Translated Text] In a message to sugar cane cutters in Ciego de Avila and Camaguey, Commander in Chief Fidel Castro expressed his confidence that they will meet the requirements of the current sugar harvest in which each province plays a decisive role due to the magnitude of their contributions.

Castro's message was delivered during a tour of his support group through the Fatherland or Death industrial complex in Ciego de Avila. Castro urged them to meet deadlines without affecting the quality of the product, the planting and growing programs, and other tasks.

The visitors described the initiation of work at the complex as ideal and exemplary for the rest of the country, and they particularly praised the work carried out by the control room. They noted that workers should be guaranteed lunch so they will not have to leave the working place.

In response to Fidel's message and the visit of his support group, workers of the Fatherland or Death Agro-industrial Complex transmitted to the commander in chief their irrevocable determination not to disappoint him or the country during the current sugarcane harvest, which is of great importance for all Cubans.

Sugar Minister Praises Cooperative Members' Work

PA1601220196 Havana Radio Reloj Network in Spanish 2030 GMT 14 Jan 96

[FBIS Translated Text] During the 7th Plenum of ANAP's [National Association of Small Farmers] National Committee, Sugar Industry Minister Nelson Torres recognized the outstanding work of cooperative members and peasants in obtaining good results in sugarcane activities. The minister called on workers to exercise discipline and devotion in planting, weeding, parceling, irrigating, and [words indistinct] operations, as well as in reducing the extent of unplanted areas. He also invited workers to avoid losses in crops and make intelligent use of human and material resources.

After debating sugarcane production's most prominent aspects, ANAP's plenum agreed to use manual and mechanical means to cut and collect the sugarcane and use the bascule, with the application of technical standards. The ANAP president [words indistinct] said the beginning of the sugarcane crop was an event

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that indicated great organization and added that each sugarcane producer will be responsible for his own share.

Roundup of Sugarcane Developments Through 14 Jan

PA1501131496

[FBIS Editorial Report] The following is a compilation of reports on sugarcane and sugar industry developments in Cuba monitored through 14 January.

The Jesus Menendez Battalion has already milled its first million arrobas of sugar. The Havana Libre group of this battalion has improved its cane-cutting technique. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 9 Jan 96)

In Ciego de Avila the new Taino motors, which are Cuban built, are being distributed for use on sugar combines and are contributing to efficiency due to their durability and power, according to workers. (Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 9 Jan 96)

In Las Tunas Province, 1,293 caballerias have been planted with sugarcane. This represents 92 percent of the expected goal for that province. Local officials believe that between January and April approximately 300 more caballerias will be planted with cane. (Havana Radio Rebelde Network in Spanish 1800 GMT 10 Jan 96)

In Santiago de Cuba Province, four of its eight sugar mills are already adequately milling sugarcane. Local mill officials believe this year the yield will be better than last year. (Havana Radio Rebelde Network in Spanish 1800 GMT 11 Jan 96)

Roundup of Politburo Members' Activities Through 11 Jan

PA1201183396

[FBIS Editorial Report] The following is a compilation of reports on the activities of Cuban Communist Party (PCC) Central Committee Politburo members monitored through 11 January.

Jose Ramon Machado Ventura and Alfredo Hondal have chaired a PCC provincial committee meeting on the economic situation in Ciego de Avila Province in 1995. (Havana Radio Rebelde Network in Spanish 1800 GMT 1 Jan 96)

Jose Ramon Machado Ventura has visited several tobacco and tuber farms located in several municipalities of Pinar del Rio Province to observe the steps being taken by growers to ensure the sectors' recovery. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 7 Jan 96)

Alfredo Hondal attended a banner-awarding ceremony for the agricultural and industrial groups that will participate in the harvest at the Ecuador sugarcane plantation, Juaragua Municipality, Ciego de Avila Province. (Havana Radio Rebelde Network in Spanish 1255 GMT 9 Jan 96)

Alfredo Jordan Morales has met the directors of the Agriculture Ministry's food industries in Santiago de Cuba Province. (Havana Radio Rebelde Network in Spanish 1800 GMT 5 Jan 96)

Alfredo Jordan Morales has said that certain agricultural improvements were noted during 1995. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 7 Jan 96)

Roberto Robaina has met George Marchais, former secretary general of the French Communist Party and current member of the Party's national bureau, on bilateral and international matters. (Havana PRENSA LATINA in Spanish 2158 GMT 5 Jan 96)

Roberto Robaina has met visiting Brazilian legislators at the Foreign Ministry on recent events and investment possibilities. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 6 Jan 96)

Carlos Lage Davila has issued a document on the attention that organizations and administrative councils must give to people's needs. (Havana Radio Rebelde Network in Spanish 1800 GMT 11 Jan 96)

Carlos Lage Davila, Maria De Los Angeles Garcia, and Pedro Ross Leal are attending the 10th Cuban Workers Federation (CTC) plenary session in Havana, where the agenda for the 17th CTC congress in April was discussed. (Havana Radio Rebelde Network in Spanish 1800 GMT 11 Jan 96)

Yadira Garcia Vera has assured that all possible measures are being taken to protect crops from heavy rains in Matanzas Province. (Havana Radio Rebelde Network in Spanish 1800 GMT 4 Jan 96)

Nelson Torres Perez has congratulated sugarcane growers in Granma Province on setting a new record for winter sugarcane planting and on opening the new harvest with the best results in the country. (Havana Radio Rebelde Network in Spanish 1800 GMT 4 Jan 96)

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Haiti

2 Policemen Injured in Incidents in Cite Soleil

PA1701025996 Port-au-Prince Radio Metropole in French 1700 GMT 16 Jan 96

[From "The Midday Newscast"]

[FBIS Translated Text] On Tuesday, several incidents were reported in Cite Soleil. Youths from Boston, a neighborhood in Cite Soleil attacked, or allegedly attacked — according to one version — police on patrol who had intervened in a dispute in the Ciment de Varreux area, where people living in the neighborhood went to look for jobs. But there are other versions of the circumstances of these incidents, during which at least two policemen were injured and at least two people and one child were injured.

Two police vehicles, one belonging to the UN Mission in Haiti [UNMIH] and the other to the National Police, were damaged. The vehicles of the National Police have been kept until now by the people of Cite Boston in Cite Soleil, who are furious after these incidents.

We are now going to listen to Rothschild Francois, Jr., who is at the hospital and who has certainly met with those injured during these incidents in Cite Soleil.

[Francois, in progress] ...Kettelie. I am now at the Sainte-Catherine Hospital in Cite Soleil. At least two persons have been injured by bullets in these incidents. The first was a lady, who just underwent surgery. The bullet was removed. Her [word indistinct] condition is stable now, according to the doctors.

Another individual, a young man from the Boston area, was hit by bullets. He will likely be transferred in a moment to the Haiti State University Hospital. So, there are two injured persons. I was saying one moment ago that there was also a baby who was allegedly hit by a bullet, according to statements made by witnesses in the Boston area. I did see the baby. She actually is injured, but I do not know whether she was hit by a bullet or injured by stones.

Concerning the police vehicles, the National Police vehicle is still at the scene in the Boston area, where the inhabitants ask that President Aristide send someone from his cabinet to negotiate over an UNMIH patrol vehicle that was attacked by inhabitants of Boston with stones. The policemen were French. I saw them one moment ago. They refused to make statements.

As to the cause of these incidents, it was people who went to look for jobs. According to statements made to us at the Ciment de Varreux, the Varreux security agents allegedly riposted. [sentence as heard] Then, the national policemen intervened. Then, this vehicle was hit, and the national policemen ran away. The National Police vehicle is being held by the inhabitants of Boston.

In a moment, we are going to get in touch with the officials of the Ciment de Varreux to get their versions of the facts and also with the national policemen who are quartered in the Cite Soleil area. This was Mobile Unit 20.

Estere 'Paralyzed' After 10 Jan Attack; Policeman Arrested

PA1301222096 Port-au-Prince Signal FM Radio in Creole 1230 GMT 12 Jan 96

[From the "0730 Appointment" newscast]

[FBIS Translated Text] Estere remained paralyzed on 11 January, following the attack on 10 January that left a 10-year-old girl dead and three others wounded. The area surrounding Estere bridge remains very tense, making it difficult for public transportation to get through. Our correspondent reports that lower Artibonite residents' demands for electricity are not about to be satisfied: Gonaives, Estere, and neighboring areas have been experiencing a total blackout since the Estere bridge demonstration. Haiti Electricity officials say they are unable to meet the demands at this time.

[Signal FM adds during the same newscast: "A policemen on the national force who was involved in the Estere incident on 10 January has reportedly been arrested. Prime Minister Claudette Werleigh confirmed on 11 January that a policeman on the national force who was accused of having shot at demonstrators in Estere has been arrested. Werleigh says she has been assured that police officials will arrest other policemen allegedly involved in this matter, in which a child was killed and three others were injured."]

President, Prime Minister Regret Attack on Legislator

PA1201191796 Port-au-Prince Signal FM Radio in French 1130 GMT 11 Jan 96

[From the "Waking Up" newscast]

[FBIS Translated Text] Haitian President Jean-Bertrand Aristide has reacted to the assassination attempt on Deputy Harry Marsan on 8 January, offering his sympathies to the 46th legislature and renewing his willingness to work for a true state of law.

Aristide wrote the leaders of the two legislative chambers on 10 January, noting that Marsan is the second legislator to be the target of a cowardly attack, reassuring that such action can only reinforce his determination to establish a state of law in the country, and asking the

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Senate and Chamber of Deputies leaders to extend his wishes for the victim's speedy recovery. President Aristide closed his letter with a message of renewed solidarity with the legislators.

Prime Minister Claudette Werleigh's government not only has expressed its regret but also has demanded of Haitian Justice Minister Rene Magloire an investigation into the attack on Lavalas Political Organization Deputy Harry Marsan. Werleigh has called on Magloire to issue firm orders to National Police officials to cooperate so that an investigation into the attack can proceed. She has also asked that measures be taken to reinforce security around the Haitian parliament and that of all legislators.

Werleigh visited the injured deputy, who unidentifed gunmen had shot twice in the jaw in Bicentenaire, Port-au-Prince, on the morning of 9 January.

A National Police spokesman announced on 10 January that a search has been launched for the perpetrators of this odious action.

The prime minister's office has confirmed that steps are being taken to ensure Deputy Marsan makes it to Canada for further medical treatment, following two operations and pending a third. The third operation is much more complex than the first two and is normally conducted abroad.

Deputy Gabriel Fortune, the victim of an attack on 7 November in the company of another colleague — Jean-Hubert Feuille, who was killed outright — is being treated in Canada.

Werleigh Signs Agreements on Taiwan Aid

PA0601171396 Port-au-Prince Signal FM Radio in Creole 1230 GMT 3 Jan 96

[From the "0730 Appointment" newscast]

[FBIS Translated Text] Within the scope of cooperation between Haiti and Taiwan, a team of Taiwanese technicians is due to enter the country. Prime Minister Claudette Werleigh visited China [as heard] over the past week. The prime minister returned to the country and announced that two cooperation agreements had been signed between the Haitian Government and the Taiwanese Government. The agreements were signed during the 3-day visit Mrs. Werleigh made to Taiwan.

The agreements revolve around aid for agricultural activities in Haiti and the development of small and medium-sized enterprises in the country. A delegation of Taiwanese technicians will come to Port-au-Prince this month in order to make the first studies, according to the revelations of the Haitian prime minister. Mrs. Claudette was interviewed by our colleague Kenol Dorvil.

[Begin recording] [Werleigh] I signed two agreements, the one agricultural and the other on small and medium-sized enterprises. The Taiwan meeting was really extraordinary. They are going to send technical teams here to see, along with us and the current ministers, the needs, not only the needs.... [pauses] (?We have showed) them that we have land and people here and that the people are ready to work but — obviously — we need money and equipment so we can work, and we will need technical assistance. They will come to check on these three points in order to know exactly what we need so they can help us.

Taiwan will help us with agriculture. When we say agriculture, we mean agriculture in general, but we insist a lot on the question of rice, because we know that for the time being our rice production has decreased a lot, and we are obliged to import rice. This is one of the reasons why our balance of payments is always in deficit, as we spent a lot of money on the importation of rice. They agree and are ready to come to help us, and we tell them that this time it should not be in the Artibonite Valley only but in the various regions of the country where rice can be planted. Then, they will help us with other agricultural products.

[Dorvil] When will this work begin?

[Werleigh] They will come as early as this month. [end recording]

EU Contributes $8.5 Million To Finance Projects

PA0601163996 Port-au-Prince Signal FM Radio in Creole 1230 GMT 5 Jan 96

[From the "Waking Up" newscast]

[FBIS Translated Text] The European Union says it will contribute to the restoration of sociopolitical stability in Haiti. It has just put at the disposal of the country over $8.5 million. With this money, the EU plans to finance several projects within the scope of the budget, the rehabilitation for the year 1996 [as heard], projects that are to begin next month.

According to the EU delegation in Port-au-Prince, this body is aiming to aid agriculture, health, water, and rehabilitation. The European delegation explains that its actions are also aimed at restoring the functioning of the country's economy, a factor essential for the restoration of Haiti's social and political stability.

The contribution of $8.5 million or 6.5 million crowns will notably help the government to satisfy some of the needs of the population, according to the explanations

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given in a communique dated 3 January and issued by the European Union.

Venezuelan Ambassador Promises Aid in Petroleum

PA0601152096 Port-au-Prince Signal FM Radio in Creole 1230 GMT 4 Jan 96

[From the "0730 Appointment" newscast]

[FBIS Translated Excerpt] The Venezuelan Government has promised to give petroleum aid to the new Haitian Government. Rene Preval's government can count on the cooperation of Venezuela, according to the statements of the Venezuelan ambassador to Port-au-Prince, Mrs. Irma Antonini.

In an interview she gave to Signal FM, Mrs. Antonini announced her country intends to give Haiti petroleum aid after the inaugural ceremony of Rene Preval on 7 February 1996. The Port-au-Prince government will also be able to count on the Caracas government in fields such as health, environment, and justice, according Mrs. Irma Antonini, the Venezuelan ambassador to Port-au-Prince.

[Begin Antonini recording, in French] ...the government of Mr. Rene Preval. Of course, we have already assured the new president that the cooperation and the aid of Venezuela will be the same, and we hope that the Haitian people will [word indistinct] better have living conditions for this year 1996. [passage omitted] [end recording]

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Zedillo Pledges Fair Justice, Equal Rights in Puebla

PA1301162396 Mexico City XEW Television Network in Spanish 0400 GMT 12 Jan 96

[From the "24 Hours" newscast]

[FBIS Translated Excerpt] President Ernesto Zedillo promised the Indian communities in Puebla to continue working toward a fair justice and equal rights for them. [passage omitted]

Zedillo promised to continue working for their autonomy, true democracy, and freedom to elect their own representatives with full authority.

[Begin Zedillo recording] Together, I am sure we will be able to achieve important reforms to laws, institutions, as well as to the constitution, making it possible to build your own future with more liberties, easiness, and support.[end recording][applause]

Zedillo promised the Indian communities to implement programs coordinated by federal and state institutions, because it makes no sense to implement federal programs, which are completely separated from state programs.

In Tepeji, he learned about Puebla's health program. Afterward, Zedillo travelled to Puebla where he overflew the new highways. At the National Fair Hall, he signed an accord on social development for 1996 between the federation and the state. He praised Governor Manuel Bartlet's work and commitment to the angelopolis highway project, which contemplates recovery of Puebla's historic center.

Zedillo recalled that clean and hard-fought elections have been held in Puebla, as well as throughout the country. This process gives evidence of peoples' willingness to confer a mandate and government equal to all.

[Begin Zedillo recording] The authorities main duty is to work for all and ensure everybody's benefit. They must rule men and women without distinction of political ideas. The Federal government and I will continue to work with all the authorities elected by the people without distinction of party membership. [end recording] [passage omitted]

Zedillo Unveils Agrarian Plan in Tlaxcala

PA1401180696 Mexico City XEW Television Network in Spanish 0400 GMT 11 Jan 96

[From the "24 Hours" newscast]

[FBIS Translated Text] [Station announcer Jacobo Zabludovsky] In Tlaxcala State, President Ernesto Zedillo launched the 1996-2000 sectorial agrarian plan. [Begin recording] [Reporter Victor Acosta] During his second work visit of this year to the country's rural areas, the president headed three ceremonies in the municipalities of (Aclangatepec) and Tlaxco in Tlaxcala. In the town of Trasquila, in (Aclangatepec), he headed the unveiling of the sectorial agrarian program.

[Zedillo] The main objective of the program we are unveiling today is to consolidate land reform, so that rural property can become into a new base for the development of Mexico's countryside. The certainty of land ownership in rural areas will allow an sustained increase in production, productivity, and profits in the countryside.

[Acosta] President Zedillo concluded stating that in 1997, the lags in the agrarian field all over the country will be eliminated, and that before his administration ends the process to issue certificates on agrarian properties [certificaciones agrarias] and ownership titles of city land lots will have ended.

He declared Tlaxcala as the first state in which agrarian lags have been totally eliminated and the issuance of certificates and land deeds have been completed. Later, the president went to Tlaxco, where the residents gave him an enthusiastic welcome in the streets covered by colorful tapestries woven by the local artisans. In the Municipal Palace, he signed the 1996 social development agreement with Governor Jose Antonio Alvarez Lima and headed the meeting on employment and training. He was accompanied in this work visit by Governor Alvarez Lima, the secretaries of agrarian reform, social development, and agriculture, and the national Fenece [expansion unknown] leader. In the afternoon, the president returned to Mexico City. [end recording]

[Zabludovski] Tomorrow, President Zedillo will visit Puebla, and will return to Los Pinos Residence at approximately 1530.

Attorney General Sends Reno Letter Outlining Requests

PA1701043996 Mexico City XEW Television Network in Spanish 0400 GMT 17 Jan 96

[Report by anchor Jacobo Zabludosky; from the "24 Hours" newscast]

[FBIS Translated Text] Attorney General of the Republic Antonio Lozano Gracia this evening sent a letter to U.S. Attorney General Janet Reno. In the letter, the Mexican attorney general tells his U.S. counterpart the following —and I summarize:

1. Keep the Office of the Attorney General of the Republic [PGR] duly informed regarding the trial that

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will be carried out agains: Juan Garcia Abrego in the United States; and to immediately send it any information dealing with crimes that the drug trafficker may have perpetrated in Mexico, or Mexican people involved in his illegal activities.

2. Antonio Lozano Gracia asked her to formally accredit a PGR official so he may attend the hearings within this process and maintain a direct and constant contact with the prosecutors who handle the case.

3. Last, the Attorney General of the Republic asks that it be recognized and noted that the investigation and arrest of Juan Garcia Abrego was carried out by members of the National Institute for the Struggle Against Drugs, an agency of the PGR.

Referring to this, the information has begun to flow, and the PGR was notified today that Mr. Garcia Abrego admitted he was born in the town of Las Palomas, Cameron County, Texas; and his parents also had U.S. citizenship.

Ambassador: Border 'Militarization' Violates Accords

PA1701010396 Mexico City NOTIMEX in Spanish 2034 GMT 16 Jan 96

[FBIS Translated Text] Mexico City, 16 Jan (NOTIMEX) — The militarization of the country's northern border should have been more openly discussed with Mexican authorities, Mexican Ambassador to United States Jesus Silva Herzog said here today.

This measure violates bilateral migration agreements specifying that when one of the two governments makes a decision that will affect the other in these matters "it must first advise, discuss, and explain the reasons to the other one, and this did not happen," the diplomat noted.

During a radio and telephone interview, Silva Herzog added that they received a "very general" notice only hours before this measure was announced.

On 12 January, the U.S. Government announced that starting today the border with Mexico, along the states of California and Arizona, would be reinforced with soldiers and Border Patrol agents.

The Mexican ambassador pointed out that this provision reflects the political-electoral climate in the United States, "and these kinds of decisions and announcements cannot be separated from such basic trends."

He said that he will meet with Doris Meissner, commissioner of the U.S. Immigration and Naturalization Service (INS), today to learn what the announced decision is all about.

Silva Herzog clarified, however, that "the militarization is not as interpreted by certain Mexican media," but a reinforcement of surveillance.

The United States will not reverse its reinforcement measures, because there is a strong atmosphere against immigration and the administration of that country is reacting to such pressure and must act in accordance with its policy, the ambassador added.

He reaffirmed that the migration problem will not be solved with police-type measures or fences, because alternative ways to enter that country will be found if surveillance is intensified.

Foreign Secretariat Issues Communique on U.S. Program

PA1701044996 Mexico City NOTIMEX in Spanish 0358 GMT 17 Jan 96

[FBIS Translated Text] Mexico City, 16 Jan (NOTIMEX) — The Mexican Foreign Secretariat on 16 January instructed its consulates along the U.S. border to intensify protection of fellow citizens who are in that country in view of an anti-immigration program adopted by Washington.

In a communique, the Foreign Relations Secretariat reaffirmed its commitment to safeguarding the rights of Mexicans and stressed that it will act with the greatest vigor to defend them.

It noted that consulates will pay particular attention to the treatment given to Mexican migrants by U.S. authorities, such as those of the U.S. Immigration and Naturalization Service, the Border Patrol, and other institutions that support them.

The Foreign Secretariat indicated that the people who were consulted will keep the Secretariat informed of the type and level of participation by the various federal and local government institutions in the immigration operations.

U.S. Justice Department authorities on 12 January announced the beginning, on 16 January, of a new temporary surveillance reinforcement, which has possibilities of becoming permanent, on part of the border with Mexico.

The plan includes the participation of a military contingent that, according to civilian authorities of the northern neighboring country, will carry out only logistical support tasks and those tasks that are "traditionally" performed in support of the Border Patrol.

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Sectors Demand Stronger Stance Against U.S. on Truck Issue

PA1501162896 Mexico City LA JORNADA in Spanish 11 Jan 96 p 45

[Report by Raul Llanos, Victor Cardoso, Elena Gallegos, Nestor Martinez, Gerardo Rico, and Victor Ruiz Arrazola]

[FBIS Translated Text] Business and political representatives have demanded that the Mexican Government take a stronger stance against the United States to resolve the conflict of the blockade to the transportation of cargo at the border states — the traffic of this transportation must have opened on 18 December — as well as all the trade relation conflicts regarding NAFTA.

Victor Manuel Diaz Romero, Confederation of Industrial Associations (Concamin) president, said it was necessary for the Commerce Secretariat to "act strongly" in light of the controversies between the United States and Mexico regarding the transportation of cargo and tomatoes and to demand respect for the trilateral agreement.

In the opinion of Carlos Abascal, Employers Confederation of the Mexican Republic (Coparmex) president, "our country has enough capacity to negotiate to prevent a violation of NAFTA; it is an issue too delicate to allow it to fail."

Meanwhile, Jose Aguilar Alcerreca, director general of Federal Transportation of the Communications and Transportation Secretariat (SCT), affirmed that the U.S. blockade on the transportation operations in the bordering states of the neighboring country is a maneuver that seeks to obtain benefits for other areas of the bilateral commercial relations.

During the session the Permanent Commission of Congress held, senators Guadalupe Gomez Maganda, of the Institutional Revolutionary Party (PRI), and Benigno Aladro, of the National Action Party (PAN), and deputy Pedro Etienne, of the Party of the Democratic Revolution (PRD), addressed the issue.

While the PRI faction asked the government to explain to its U.S. counterpart the "negative consequences" that would befall NAFTA if it were politicized as a result of unilateral decisions and the noncompliance with its terms, the PAN asked that, in the case of the transportation of cargo, Mexico apply "the principle of reciprocity" and close its border to the traffic of this type of transportation for the United States.

The PRD proposed a point of agreement for Commerce Secretary Herminio Blanco and Communications Secretary Carlos Ruiz Sacristan to appear before the Commerce and Communications Commissions to explain the government policies in view of the "unilateral" delay to let Mexican trucks travel in the neighboring country.

The PRD members described as "frankly regrettable" the government's reaction and pointed out that it shows the "fragility with which officials of that country first negotiated and now want to control this trade agreement."

The PRI bloc agreed to the following statement: "Support the efforts Mexican commercial authorities make to resolve the differences through talks and through consultation mechanisms between the two nations. In case it is necessary, Mexican authorities must resort to the mechanisms to solve controversies stipulated in NAFTA.

"Urge U.S. political and social groups to seek consensus that, while ignoring particular interests, will benefit all the members of this commercial zone; that the Mexican Government make its U.S. counterpart be aware of the negative consequences the adoption of unilateral administrative measures and the noncompliance with trade agreements could have on the image of NAFTA itself."

During the session, the proposed agreement was accepted and forwarded to the respective commissions to, in addition to the appearances of Blanco and Ruiz, invite the business and union organizations of this sector to explain to legislators their opinions and suggestions on this particular issue.

The representative of the industrial sector, Diaz, affirmed that, in view of "the prepotency of a powerful market," Mexican authorities will have to act with a great deal of serenity and intelligence to obtain positive results.

In the opinion of Abascal, the problems with the transportation of cargo and tomatoes between the United States and Mexico do not call for a revision of the agreement.

SCT's Miguel Aguilar explained that Mexican authorities have not received any official notification from the U.S. Government on the suspension of the border opening to the transportation of cargo. This, he added, was only mentioned by Mickey Kantor at a news conference. Apart from that, the effects of the measure is not a determining factor, because the cargo being handled between the two countries represents only 15 percent of the domestic aggregate and because it is handled by foreign companies that are already operating in the country.

He underscored that Mexican and U.S. authorities will meet next week to seek a solution based on Article 20 of the controversies chapter included in NAFTA.

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In the meantime, in Guadalajara, Mario Jose Rojas Gallardo, National Teamsters Federation [Federacion Nacional de Autotransportistas] (FNA) leader, announced that they will take over SCT offices and divisions around the country on 15 January to protest the low tariffs, the excessive amount of taxes, and the high cost of fuel and also because of the "lukewarm" attitude the Mexican government has taken in light of the U.S. NAFTA violation.

Protest on Possible U.S. Quota on Tomatoes

PA1301180996 Mexico City NOTIMEX in Spanish 0116 GMT 12 Jan 96

[FBIS Translated Text] Mexico City, 11 Jan (NOTIMEX) — Mexican legislators announced today that they will submit a formal protest over discriminatory treatment against Mexican tomatoes to U.S. Agriculture Secretary Dan Glickman, who will be visiting this country in January.

Rafael Ceballos, chairman of the Agriculture Commission of the Chamber of Deputies, pointed out that he will hand Glickman a protest against U.S. farmers' efforts to impose quotas on Mexican tomatoes.

Ceballos added that Florida State farmers, arguing unfair competition, have demanded that legislators of their country impose a quota on Mexican tomatoes that will in the end turn out to be a tariff.

He pointed out that such a unilateral measure by the United States would violate the North American Free Trade Agreement (NAFTA), which became effective on 1 January 1994 in the United States, Canada, and Mexico.

Should the Florida tomato farmers succeed, there would be no reason for having signed a commercial agreement with Washington and we would have to closely review every product on the agreement to determine the degree of compliance for each one, he noted.

Ceballos recalled that tomatoes were completely exempted by the North American pact from paying any duties, and he pointed out that there is evidence that the United States has made unilateral decisions in other sectors, but he did not specify which.

He assured that deputies who make up the Agriculture Commission will convey to Glickman, who will visit Mexico from 14 to 16 January, their determination to defend Mexican tomato, beans, and sorghum growers.

Ceballos said that the NAFTA was well-negotiated, but in practice there is pressure to impose different types of obstacles. He, however, pointed out that it is possible to remove such obstacles and improve its application if there is willingness to do so.

Mexico exports large volumes of agricultural products to the United States such as corn, wheat, and milk and its derivatives, and thus, it would be unadvisable to jeopardize this commercial relationship over tax on a single product.

He added that Mexican tomatoes have gained access to U.S. markets because of their quality, packaging, and price and this is why Florida growers are complaining that they cannot compete.

Foreign Secretariat Requests U.S. Marine's Extradition

PA1301165196 Mexico City XEW Television Network in Spanish 0400 GMT 13 Jan 96

[From the "24 Hours" newscast]

[FBIS Translated Text] A U.S. military court has accused Corporal Francisco Javier Lopez of running over and killing four minors in Mexicali, Baja California, while driving drunk.

A U.S. Marine ran over six minors, four of whom have died, in Mexicali, Baja California. The incident occurred shortly after midnight on 30 December on Tabasco Avenue and 19th Street in the Baja California neighborhood in Mexicali. A U.S. marine identified as Francisco Javier Lopez was driving a pick-up vehicle bearing a California license plate at a high speed on Tabasco Avenue. He suddenly tried to pass another vehicle without noticing the youths who were on one side of the road. He ran over the minors and then collided with the fence of a house.

[Begin unidentified witness recording] While trying to pass another vehicle, the car's fender hit the other car by a corner and kept moving forward, hitting the youths with force and sending them in all directions. The car stopped after crashing against the fence of a house. [end recording]

Seconds later, the marine drove away and fled to the United States. Experts from the U.S. Navy's Investigation Center arrived at the site of the accident on Thursday to gather evidence against Lopez, who will be tried by a U.S. court for this incident.

The Mexican Foreign Relations Secretariat today sent a note to the U.S. Government requesting the provisional arrest for international extradition purposes of U.S. Marine Francisco Javier Lopez, for his probable responsibility in crimes committed in Mexicali, Baja California.

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Secretariat Denies Country Delivered Domestic Water to U.S.

PA1701004596 Mexico City NOTIMEX in Spanish 2019 GMT 13 Jan 96

[FBIS Translated Text] Mexico City, 13 January (NOTIMEX) — The Foreign Relations Secretariat [SRE] today explained that the Waters Treaty Mexico and the United States signed in 1944 contemplates the distribution of water from the Bravo, Colorado, and Tijuana Rivers. However, it has never mentioned domestic waters.

Referring to reports by a local daily published on 12 January on the distribution of the waters of the Bravo River, the Secretariat said that an overall analysis on the water levels this treaty assigns to Mexico must be conducted. "In this regard, from a global standpoint, Mexico receives 1.924 billion cubic meters of water from international rivers, while it is obliged to deliver 432 million cubic meters annually," it pointed out.

The SRE added that in the particular case of the Bravo River Mexico made the commitment to deliver a third of the waters of the Mexican tributaries located between Fort Quitman and the Falcon Dam. This part, it explained, must be delivered in five-year cycles and must not be less that 432 million cubic meters annually, without adversely affecting the future development of these tributaries.

The Foreign Secretariat accepted that Mexico has complied with this plan through "surplus rain water that was impossible to retain or through water recycled after agricultural uses. We have never delivered water belonging to our country."

In addition, as the aforementioned treaty stipulates, when the useful water capacity corresponding to the United States is full in the international dams, all of Mexico's water deficits are considered covered, as has been the case frequently.

The SRE stressed that the Waters Treaty has never prevented Mexico from having access to the waters it requires for domestic use, because water has never been delivered to the United States to the detriment of the beneficial uses it could have in national territory. On the contrary, it added, the treaty made possible the construction of international reservoirs, thus making possible a controlled and regulated use of waters in each country.

In analyzing the issue, the Secretariat stressed, we would have to take into account the fact that there were particular conditions in the last two years; the abundant rains in the Mexican basin of the Bravo River made possible a high contribution by the Mexican tributaries and a low demand for irrigation. "Among the water uses in Mexico, the supply to the Mexican border towns of Coahuila and Tamaulipas States and the endowment for the irrigation districts in the former state must be considered," it maintained.

In the 1990-1994 five-year cycle, Mexico contributed an average of 1.346 billion cubic meters of water to the basin of the Bravo River, while it extracted 1.812 billion cubic meters. Meanwhile, the United States contributed an average of 1.404 billion cubic meters annually and used 1.57 billion cubic meters. "The deficit between what was contributed and what was used was covered with water the two countries had stored in international dams," the SRE affirmed.

The treaty "at no time compromises the interests of Mexico"; to the contrary, it laid the foundations to adopt new measures that will strengthen the cooperation between the two countries in other matters regarding international waters." [quotation marks as received] The quality of water and "the creation of the necessary infrastructure in our country for its better use and application" could be some of these measures, the SRE concluded.

Commission To Ensure U.S. Respects Mexicans' Rights

PA1701010496 Mexico City NOTIMEX in Spanish 0219 GMT 15 Jan 96

[FBIS Translated Text] Mexico City, 14 Jan (NOTIMEX) — Jorge Madrazo, National Human Rights Commission president, today reported that his organization will make sure that the guarantees of Mexican immigrants are respected in light of the announced militarization of the border with the United States.

In statements to NOTIMEX, Madrazo said that the main concern of the organization he heads is to make sure that the treatment Mexican nationals receive in the United States is respectful, just as it must be on Mexico's southern border.

On 12 January, the U.S. Government announced that, starting on 16 January, it will reinforce the border between Mexico and the states of California and Arizona with soldiers and Border Patrol agents.

In Xalapa, Sergio Obeso Rivera, Mexican Bishops Conference [CEM] president, today described as "inadequate" the measures the United States has taken to halt the flow of Mexican illegal aliens into this country.

Interviewed at the end of his Sunday homily, Obeso, who is also the bishop of Xalapa, which is located in Veracruz State, denied that the militarization of the

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Mexican-U.S. border favors relations between the two countries.

The bishop pointed out that even though "each country is free to determine how to proceed in order to resolve domestic situations," the position the United States took is very drastic and even violates the human rights of thousands of illegal aliens.

The increase in the number of jobs in Mexico could help stem the flow of illegal aliens into the northern neighbor and that could help us begin to tackle the immigration problem at its root, Obeso maintained.

Hermosillo Bishop Carlos Quintero Arce asked the United Nations to intervene to stop the U.S. Government's anti-immigration policies, the implementation of which violates human rights.

The bishop stressed that the United Nations wants the international community to remain united. This is why "its mediation between the two nations could be beneficial."

Fisheries Official Comments on Losses Due to Tuna Embargo

PA1501132996 Mexico City NOTIMEX in Spanish 0151 GMT 12 Jan 96

[FBIS Translated Text] Merida, 11 Jan (Notimex) — An official source disclosed here today that the tuna embargo imposed by the United States against Mexico has caused loses amounting to somewhere between $30 and $40 million per year, in addition to a more than 40-percent decline in the country's tuna fleet.

Carlos Camacho Gaos, undersecretary of fisheries of the environment, natural resources and fisheries secretariat, pointed out that during 1995 the number of ships involved in the activity had dropped from 70 to 50, just as the number of processing plants had also declined.

Interviewed upon his arrival to the Yucatan, the official highlighted the likelihood that this year, once the budget problems taking place in the United States have been overcome, the details of the embargo will be reviewed by this country's congress.

He added that an official request for the review had already been made by Mexico and that the country is only awaiting for it to be discussed by the U.S. Congress.

The fisheries undersecretary explained that the embargo to Mexico has not only hampered the delivery of tuna to the U.S. market, but has also slowed exports to the European market.

Camacho Gaos indicated that this year there are plans to provide more support to the country's port infrastructure and undertake a fisheries reorganization in order to encourage sustained growth and an increase in the fishing of some scale species [especies de escama] and lobsters.

The fisheries official will be supervising a rural aquaculture project, in addition to evaluate the widening of a fishery infrastructure.

Finance Group Says Economy Shows Signs of Recovery

PA1301165096 Mexico City NOTIMEX in Spanish 0203 GMT 12 Jan 96

[FBIS Translated Text] Mexico City, 11 Jan (NOTIMEX) — The Inverlat Financier's Group [GFI] has reported that economic variables show unmistakable signs of a sound recovery, as indicated by the exchange rate pressures and a gradual reduction of domestic interest rates.

In a report on the development of Mexico's economy, GFI pointed out that the economic crisis seems to have hit rock bottom, as indicated by a reduction of the debt in Treasury Bonds [Tesobonos] and a reduction of the unemployment rate, from 7.6 percent in August to 6.8 percent in October 1995.

GFI commented that two of the main causes of the devaluation of the peso in December 1994 were removed at the end of 1995.

Of the $30 billion owned in Tesobonos at the end of 1994, only $1.5 billion remained outstanding on the last two months of 1995. Nearly all of the past three years' external imbalance has been corrected.

Another sector that showed signs of recovery is the commercial balance surplus, which increased from $6.2296 billion [to an unreported amount], between January and October 1995. International reserves increased from $6.148 billion at the end of 1994 to $13.555 billion as of December 1995.

In addition, inflation control and Mexico's return to the voluntary capital market favor both the peso's stability in relation to the dollar and the country's economic recovery in 1996 with clear signs that started to be observed in the second semester, GFI said.

Nevertheless, GFI admitted that, to overcome the crisis, it will be essential to clean house in the finance system, an operation that has become difficult because of the exchange rate volatility and resulting higher interest rates in the last quarter last year.

GFI added that the economic recovery takes place as the result of important improvements in the control of

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inflation, which was reduced from 8.0 percent in April to 2.47 percent in November.

The GFI's report indicated that the results of the economic recovery will be clearer after the inflation bubble of late 1995 and early 1996 is pinched.

Secretariat, Bankers Agree on Debt Refinancing Extensions

PA1401202096 Mexico City LA JORNADA in Spanish 11 Jan 96 p 48

[FBIS Translated Text] The Finance and Public Credit Secretariat (SHCP) and the Mexican Association of Bankers (ABM) have agreed to extend to 30 April the term for those debtors behind in their payments who agree to sign not only a letter of intent before month's end agreeing to cover all amounts due but also a restructuring agreement on their bank liabilities so that they can benefit from favorable interest rates under the Agreement for Immediate Support to Bank Debtors (ADE).

The agreement, signed by SHCP head Guillermo Ortiz Martinez and ABM President Jose Madariaga Lomelin, confirms that bankers have agreed to extend the judicial truce to the last day of April in those cases where debtors have signed a letter of intent with their respective creditor banks before 31 January. The terms that the ADE established initially did not extend this benefit to all agricultural firms and debtors whose debt exceed 400,000 pesos.

The agreement signed yesterday merely extends the deadline for restructuring all debt, with the condition that the debtor must sign a letter of intent before month's end. It is noted that "the time period where the interest rate reduction benefit is granted as per the original terms established by the ADE will remain unchanged."

In other words, preferential interest rates for credit card debtors and consumer and business loans will remain in effect until 30 September. With respect to mortgage loans, reduction in returns will remain during the 12 months following the signing of the liabilities restructuring agreement in Units of Investments (UDI) and, for all loans to the agriculture sector, until February 1997.

The SHCP and the ABM point out in this agreement that the decision to extend the deadline for refinancing debts was in response to "the producers' request for an extension of the deadline so as to take advantage of the ADE benefits because the established deadline — 31 January 1996 — was approaching."

The signatories of this agreement stated that 1,544,856 loans were refinanced between 11 September 1995 — when the ADE was implemented — and 31 December 1995, 73 percent of the 2.11 million loans that the banks had estimated were renegotiable under this agreement.

Refinanced loans during this period totalled 145.883 billion pesos, 20 billion pesos less than the accrued portfolio that had been reported to September 1995. Debtors have signed 551,919 letters of intent, which is "a larger number of letters than initially anticipated."

Bank Provides Inflation Figures

PA1401212996 Mexico City EL FINANCIERO in Spanish 10 Jan 96 p 21

[FBIS Translated Text] The country recorded its highest inflation rate so far this decade in 1995, when the National Consumer Price Index reached 51.98 percent. The 1994 inflation rate stood at 7.05 percent. Meanwhile, family basket prices increased 60.57 percent.

The Bank of Mexico [Banxico] reported that the inflation rate rose 3.26 percent in December 1995 over the previous month's rate. Family basket prices increased 3.93 percent during the same period.

The National Producers Price Index, including export crude oil, increased 4.03 percent in December 1995 and the overall annual increase was 56.90 percent with regard to the annual figure reported in December 1994.

Since 1988, when the inflation rate was 114.2 percent, the annual inflation rate had not been as high as it was in 1995 given that in 1989 the National Consumer Price Index was 20 percent; in 1990, it was 26.7 percent; in 1991, it was 22.7 percent; in 1992, it was 15.5 percent; in 1993, it was 9.8 percent; and in 1994, it was only 7.05 percent.

Banxico said the average rise in the prices of goods and services in the family basket in December 1995 was due to the increase in the prices of gasoline and electricity and a rise in subway fares. The consumer price index was adversely affected by the rise in the cost of housing; fresh beef; processed bread; cooking gas; and foreign bus, railroad, and plane fares; as well as an increase in the prices of food in restaurants, detergents, refreshments, and school supplies. There were also increases in the prices of tomatoes, lemons, chilis, dairy products, cooking oil, eggs, rice, corn and wheat meals, beans, medical equipment, medicines, toilet paper, vehicle parts, sugar, furniture, domestic appliances, shoes, cheese, winter clothing, pants, lingerie, coffee, processed cereals, spices, snacks, and toys.

It was explained that of the 46 cities from which the information is obtained to determine the index, the greatest increases in prices in December were reported

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in Tijuana (3.94 percent); Chetumal (3.89 percent); Tapachula (3.85 percent); Huatabampo, Sonora (3.72 percent); Villahermosa (3.70 percent); Durango (3.69 percent); and Monclova (3.64 percent).

The lowest increases were observed in Jacona, Michoacan (2.90 percent); Queretaro (2.91 percent); Leon, Iguala, and Merida (3.06 percent); Fresnillo, Zacatecas (3.08 percent); and Cuernavaca, Morelos (3.09 percent).

The annual increase in the prices of food, beverages, and tobacco was 61.73 percent; clothing and shoes, 44.85 percent; housing (rent, electricity, gas, telephone, and so on), 41.77 percent; furniture and domestic appliances, 62.54 percent; personal hygiene products, 58.01 percent; transportation, 55.84 percent; education and recreation, 40.51 percent; and other services, 39.58 percent.

Netherlands' Economic Minister Visits

PA1301145096 Mexico City NOTIMEX in Spanish 2136 GMT 9 Jan 96

[FBIS Translated Text] Mexico City, 9 Jan (NOTIMEX) — Foreign Relations Secretary Jose Angel Gurria met today with the Netherlands Economic Affairs Minister Hans Wijers with whom he discussed the most relevant issues in the bilateral agenda and of common interest.

Within the framework of Wijers' official visit to Mexico, the chief of Mexican diplomacy described the foreign policy that Mexico is carrying out in Europe and explained the current situation of the economy and its perspectives for recovery.

The European minister, who leads a delegation of Netherland businessmen and bankers, expressed his country's interest in increasing its presence in Mexico by starting up economic projects in the energy and industrial sectors.

Wijers added that the Netherlands is mainly interested in investing in the industrial sector, natural gas, privatization of the petrochemical industry, and the so-called intercoastal canal in the Tamaulipas State.

During the meeting the two officials reiterated the willingness of the countries to seek alternatives to foster and strengthen economic relations between the two countries.

Currently, the Netherlands occupies the third position among the countries that have investments in Mexico. To date, Mexico has signed two agreements for Mutual Fostering and Protection of Investments with Spain and Switzerland.

According to the visit schedule, Wijers will meet with the Mexican Commerce and Industrial Development, Energy, and Mines Industries officials, and Communications and Transport secretaries, the director of Mexican Petroleum, and with members of the Mexican Businessmen's Council for International Affairs.

In addition, Wijers will meet with fisheries and environment officials. He will preside the inauguration ceremony of the Netherlands' ING Bank, which will begin operating shortly in Mexico.

The Netherlands minister concludes his visit to Mexico on Wednesday and will travel to the United States.

Sedena Denies Rebels Operating in Oaxaca State

PA1401132396 Mexico City LA JORNADA in Spanish 11 Jan 96 p 13

[Report by Jesus Aranda]

[FBIS Translated Text] The National Defense Secretariat (Sedena) officially rejected the existence of rebel groups in Oaxaca and specified that in that state — in a situation similar to that of Guerrero State, where there is a high level of drug trafficking — there exist gangs of thieves, drug plantation guards, and cattle rustlers, who are regularly pursued by the Army based on the Weapons and Explosives Federal Law.

Sedena spokesmen specified that the deployment of soldiers is due exclusively to implementation of the *Canador Plan* against drug trafficking and the cultivation of narcotic plants, a plan that is being implemented on a permanent basis. The spokesmen denied that the Army is seeking armed groups which allegedly belong to a guerrilla group.

The spokesmen affirmed that there were no army patrols seeking armed groups in the Rincon Mountains in Sierra Juarez, Ixtlan District, Oaxaca State.

The spokesmen said that according to information received from the 10th division of the Chiefs of Staff Special Operations Unit, which combats drug trafficking, it has been perceived that in those areas in which these is a high level of cultivation of narcotic plants and drug trafficking, delinquency has also increased, and therefore, the use of weapons that are intended for the Army's exclusive use has also increased.

The cultivation of narcotic plants and drug trafficking promulgate common criminal problems because the criminals know "there will be money." There is always someone to rob the farmers once they have been paid for their crop of narcotic plants, or individuals who have extensive marijuana and poppy plantations and have hired gunmen at their service.

The 10th division has documented the increase in criminal activities in zones which have the most cultivation and drug trafficking. It informed the Chamber of

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Deputy's Defense Committee regarding this situation when the legislators met with National Defense Secretary Enrique Cervantes Aguirre a few weeks ago.

The spokesmen added that there are occasions in which circumstances force the military leaders in charge of the missions to pursue, capture, and deliver to the authorities bands of criminals that operate in remote areas, but, they insist, always within legal limits.

Moreover, the spokesmen pointed out that criminal gangs have been found wearing army uniforms, which confuses residents into thinking that they are guerrilla groups.

Regarding the situation in Oaxaca, the spokesmen reiterated that the soldiers stationed there are participating in the *Canador Plan* and denied that their presence in Rincon Mountains in Juarez Sierra is due to any "other reasons."

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El Salvador

President, Defense Minister Attend Military Ceremony

President's Speech

PA1301233996 San Salvador Radio Cadena Cuscatlan in Spanish 1640 GMT 9 Jan 96

[Speech by Salvadoran President Armando Calderon Sol at a military ceremony held at the Military Education Headquarters; broadcast in progress — live relay]

[FBIS Translated Text] ...Supreme Court of Justice; Mr. Vice President of the Republic; most excellent messrs. ambassadors and honorable chiefs of diplomatic legations accredited in the country; messrs. members of the government cabinet; messrs. former presidents of the Republic; messrs. members of the Armed Forces High Command; messrs. former minister and former deputy minister of national defense; most excellent and most revered Monsignor Fernando Saenz Lacalle, archbishop of San Salvador and apostolic administrator of the military administrative division; honorable military attaches of friendly countries; messrs. generals; messrs. commanders; high-ranking officers; subordinate officers; cadets; troop personnel; ladies and gentlemen:

We are highly honored and pleased to preside over the ceremony to decorate the former heads of the Defense Ministry as well as to promote officers to the rank of general and to transfer the command of the Armed Forces Joint Staff. First, I reaffirm our sentiment of undying gratitude to the members of the armed institution who have heroically given their lives to defend the integrity and freedom of the Republic, blazing the path to peace and democracy with their sacrifices.

In the times in which we live and within the context of peace, the Armed Forces are playing a significant, starring role and are contributing significantly to materializing such major national objectives as keeping the state of law, strengthening peace, and consolidating democracy and our country's overall development. Adhering to its constitutional mission and within the parameters of the new military doctrine, the military institution has strengthened itself both nationally and internationally. Through continuous and constant training, it is preparing itself more every day to face the challenges of modern society and the world's military changes.

Aware of this reality, we emphasize our government's determination to continue supporting the institutional modernization of the Armed Forces, particularly through the new orientation of the educational systems and their new military doctrine. We will not allow for any reason whatsoever the interruption and weakening of the Armed Forces' process of professional and technological excelling, because we all know that national security plays a significant role in keeping peace. It is also necessary to safeguard the nation's sovereignty and integrity.

When we talk about the achievements the military made in recent years, we cannot ignore the extraordinary work done by the generals who were responsible for the national defense. On behalf of the fatherland, we express to them the due recognition for the missions accomplished. The high professional merits and untarnished spirit of service that Division General Humberto Corado Figueroa has exhibited throughout his military career as well as the outstanding qualities of Division Gen. Jose Alexander Mendez have significantly contributed to the process of readjusting the Armed Forces. The two of them left excellent memories in the institution's history.

In compliance with the law and following the military tradition, we are also honored to participate in the solemn act to promote to the rank of general five distinguished Armed Forces officers for their high professional merits. They are Division Gen. Jaime Guzman Morales and Brigadier Generals Jose Eduardo Angel Orellana, Mauricio Isaac Duque Lozano, and Nelson Ivan Saldana, and Rear Admiral Mario Argueta Franco.

From historical times, the figure of a general has embodied the symbol of supreme power and has become a genuine expression of military leadership. The granting of this high investiture constitutes for professional soldiers the successful conclusion of their career in serving the fatherland. With special appreciation and satisfaction, we make evident our sincere congratulations to the new generals of the Armed Forces who based on efforts and sacrifices have reached this privileged position in the Army ranks and Salvadoran society. Likewise, we want to voice our sincere congratulations to the military officers just promoted to the highest ranks of the military echelon following the General Order of 31 December 1995. We urge them to continue serving the fatherland with courage, discipline, loyalty, honor, and spirit of service.

To conclude this military ceremony, as president of the Republic and as commander general of the Armed Forces and following the corresponding order, we are proceeding to officially transfer the command of the Joint Staff of the Armed Forces and are leaving its members in full possession of their posts. We are also pleased to voice our candid congratulations to the new members of the high command, recognizing in each one of them the features characterizing the military officers as soldiers of civic, moral, and professional integrity.

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In this phase of national change and modernization, we trust you will know how to lead the destiny of the institution following an absolute respect for the Constitution and the laws of the Republic, always acting in terms of major national objectives and setting an example of rectitude to your subordinates and the Salvadoran people.

Messrs. members of the Armed Forces and all Salvadorans, we are starting a new year and are fully convinced it will be a year of major political, economic, social, and cultural achievements and progress for our country. Our efforts will continue to be geared toward strengthening peace and democracy, consolidating economic growth to promote a major social development, increasing the fight against poverty, improving the people's standard of living, and moving forward with the process to modernize our country to join the world economic globalization system. The achievement of these objectives implies work, efforts, sacrifices, confidence, optimism, and an unyielding determination for all Salvadorans.

Our country's future prospects look favorable mainly because we have been able to strengthen a solid macroeconomic stability and because we are moving forward in the right direction to make our beloved El Salvador a country of progress and opportunities for all.

We conclude our message by inviting all Salvadorans, regardless of political ideologies, to work together for the nation's highest interests, to work with a solidary and patriotic spirit, to make 1996 the year of reconciliation to continue forging El Salvador for the present and future generations. Thank you very much. [applause]

Defense Minister's Speech

PA1401002896 San Salvador Radio Cadena Cuscatlan in Spanish 1640 GMT 9 Jan 96

[Speech by Salvadoran Defense Minister Jaime Guzman at a military ceremony held at the Military Education Headquarters — live relay]

[FBIS Translated Text] Mr. President of the Republic and General Commander of the Armed Forces; Mr. President of the National Assembly and Deputies; Mr. President of the Supreme Court; Mr. Vice President of the Republic; distinguished ambassadors accredited to our country; papal nuncio; members of the Cabinet; former presidents of the Republic; members of the Armed Forces High Command; representatives of foreign organizations; Division General Humberto Corado Figueroa; Division General Jose Alexander Mendez; San Salvador archbishop and apostolic administrator of the military administrative generals; honorable military attaches accredited to our country; commanders, officers, and subalterns; cadets; rank and file; special guests; ladies and gentlemen:

I am honored and it gives me personal satisfaction to attend this ceremony of momentous importance to our Armed Forces. Decorations, promotions, and the turnover of command in the military profession represent historical events for the institution and its members. I would like to say that the military profession has the important task of training officers to fulfill their duties of defending the country with their lives. In fact, the military profession conveys sacrifices and challenges, requires courage and integrity of its members, demands total devotion in order to fulfill its goals, and urges observance of principles and values. Nevertheless, the military profession is not restricted to war strategies; on the contrary, it is so wide that it diversifies into a large number of categories with its common denominator; that is, its command. Therefore, it is necessary to implement a systematic process of training that should include various stages in the career of an officer to efficiently comply with his professional duties.

A promotion to a higher rank in the military hierarchy is a recognition of merit and perseverance in the service. It also strengthens military morale by following the principles of hierarchy. Overall, this observance is to recognize the principles of duty and discipline, which is the soul of the Army.

I would like to take this opportunity to remind the officers who were promoted this year that the level of responsibility increases accordingly with the level of grade. The higher the post, the larger the responsibilities and level of leadership; therefore, the responsibilities vested on the rank require cooperation, devotion, knowledge, sacrifices, organization and discipline to serve together the institution and society by implementing military values and virtues.

I would like to congratulate those officers who have received the corresponding higher rank for their merit, years of service, abilities, professional performance, and devotion to the institution. I would like to convey special congratulations and recognition to Brigadier Generals Jose Eduardo Angel Orellana, Mauricio Isaac Duque Lozano, and Nelson Ivan Saldana, and Rear Admiral Mario Argueta Franco for attaining one of the highest levels of promotion.

In addition, we take this opportunity to wish Brigadier Gen. Mauricio Isaac Duque Lozano success as chief of the Armed Forces Joint Chiefs of Staff. We know for a fact that his high capability and leadership will be valuable factors in accomplishing the missions assigned to him.

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True, we are experiencing a new era in which modern and competitive economies as well as democratic trends are being consolidated; these trends are expressed in the Central American region via reform and modernization processes. We must mention among those manifestations of the new era economic globalization, modernization of the state, the strengthening of democratic institutions, human security, sustained human development, and the exceptional progress of science and technology. In this context, our country is experiencing a process of transition toward the consolidation of democracy, which includes successful accomplishments for our Armed Forces.

These accomplishments involve the formulation and application of military doctrine based on national defense and democratic security and on the fact our institution is and will always fulfill its doctrinaire principles. Its mission is to defend the sovereignty and protection of the territory. It is a permanent institution at the service of the country, is obedient, professional, apolitical, and nondeliberating. The Armed Forces owe respect to the political order as established by the sovereign will of the people, and every political or social dictum derived from it will be in accordance with democratic principles. As a state institution, the Armed Forces have an instrumental, nondeliberating role in the political area. Its doctrine should be based on the concepts of security and defense, the last of which is carried out by the institution, the purpose of which is to guarantee sovereignty and to protect the territory in the face of a foreign military threat. The institution will also maintain domestic peace, calm, order, and public security only after all regular means to do so have been used in accordance with the provisions of the Constitution.

Ladies and gentlemen, our institution is part of that conceptual framework of trends, expressions, and changes taking place in the national scene, evidence of which is that on the threshold of the 21st century, it has established its future institutional profile; that is, the Armed Forces we want in terms of a more modern, professional, and efficient institution characterized by the fact its organization is based on a proper and autonomous national doctrine. This doctrine should be led by highly educated military professionals who identify wholeheartedly with the interests of society. This will contribute to develop the country within the framework of the state-nation. We want a strong Armed Forces within the framework of the law, respected in the fulfillment of its constitutional mission.

To accomplish that institutional profile, we are carrying out the Ace 2000 Strategic Plan, which is also in keeping with the state modernization process.

Comrades in arms, in that process of transition toward democracy the country is experiencing, our Armed Forces have a challenge to achieve its modernization and a commitment with our people to contribute to their transformation. Imbued by that challenge and commitment, we urge you to seek actions to become high level, high quality professionals. This will permit us to deserve the confidence of our people, to whom we owe ourselves, and our superiors; this will also allow us to effectively apply our code of ethics of military values and virtues, to respect family, others, the institution, and, above all, to respect the fatherland, to respect the Constitution and military regulations, to carry out assigned missions with professionalism, efficiency, quality, excellence, and the provisions of command science, to strengthen the unity and institutional image, and to cultivate our intellect so society sees us as professional soldiers, strategists, commanders, leaders, and citizens.

Above all, be humble servants of our people while exercising our profession.

Ladies and gentlemen, we are aware from this point of view that the position into which we have been sworn entails great responsibility; nevertheless, we firmly believe that with the help of God Almighty, the professionalism of each member of our working team, all the officers, and other members of the institution we will fulfill the mission entrusted to us by Dr. Armando Calderon Sol, constitutional president of the Republic and commander general of the Armed Forces, always guided by the Constitution. It is within this framework that we initiate our term based on the principles of professionalism, excellence, institutionality, and reliability so the Armed Forces can continue playing a social role in the country's democratic life for social peace and national reconstruction.

We respect the decisions of the Armed Forces commander general to turn into reality the institutional decisions with the participation of all members of the institution to strengthen its image, unity, and organizational development. We will work in close coordination with all institutions that make up society to strengthen civilian and military relations.

Ladies and gentlemen, we conclude this speech thanking God for having guided us with the necessary strength, humility, patience, and knowledge to attain the rank of division general and brigadier general, the highest ranks to which every professional soldier can aspire. Deep in our hearts, we thank our family for its support, patience, and understanding.

Mr. President of the Republic and Commander General of the Armed Forces, may I thank you in the name of the High Command for appointing us to the positions

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into which we have been sworn. We assure you we will comply with the responsibility entrusted to us, because this responsibility constitutes a commitment to the homeland and implies the responsibility of fulfilling our constitutional mission in an environment where the country's great objectives are incorporated into a philosophy of attaining social peace and consolidating democracy, which are essential factors for bonding Salvadoran society, attaining the wellbeing of all, and strengthening the state of law. May God bless you all. Thank you.

Guatemala

President Alvaro Arzu Delivers Inaugural Address

PA1501033396 Guatemala City Radio and Television Networks in Spanish 2017 GMT 14 Jan 96

[Address by President Alvaro Arzu from the Miguel Angel Asturias Cultural Center in Guatemala City — live relay]

[FBIS Translated Text] Gentlemen, officials, and friends who are here with us: I apologize for not abiding by official protocol, but I owe my first greeting to the Guatemalan people, [applause] because I owe all that I am to this hurt and noble people. On assuming office as president of the Republic, I want my first greeting with all my heart to be for them. Let every one of my fellow countrymen receive a friendly and loving embrace from he, starting now, who is responsible for complying with the assumed duties and rising up to the people's trust. Receive an embrace of hope, Guatemalan people, an embrace of encouragement in the middle of a difficult and uncertain situation from which we must construct a future; receive an embrace of sincere and open friendship for my people who have endured so many deceptions and expect a true opportunity.

Your excellencies presidents and heads of state; vice presidents; royal highnesses; ministers of state; officials; government authorities; representatives of international organizations; special guests; friends:

The Guatemalan people have said and repeated this point many times. They want to improve their standard of living. They want protection for their families and honest leaders who can treat them with respect, act responsibly, and tell the truth. Honesty is not something to be declared, however, but, rather, practiced and demonstrated by deed. Similarly, the people's security is not ensured by promise but, rather, by making it a reality. The Guatemalan people's economic situation is not corrected with speeches but with results. For this reason, I want to open my speech by greeting my people with respect for their effort of confronting so many problems, recognizing their uprightness and courage in the face of difficulties with admiration for their forbearance in the face of so much adversity. Above everything else, I want to greet the Guatemalan people with the truth of our commitment, which is backed by our previous works and results.

Fellow Guatemalans, you can rely on our full determination to work tirelessly on the truly important matters to solve our problems. The challenge is enormous. The problems complex and urgent. The resources very scant. As with all other peoples, we have strong points and weak ones. We have a recent history of internal confrontation that has divided and filled us with great grief. Because the challenge is great and the path rough, we must make an even greater effort to develop our capabilities, values, and strength to progress forward. When I met with Vice President Flores and the new government team yesterday, we all pondered the outlook I am sharing with you now.

To start this new government with a firm step, the most important thing to do is to start thinking about the last day in office, to set our sights on that 14 January 2000 when we will be called to give an account to our people, and we will be transferring office to another elected president. On that day the Guatemalan people will have an exact explanation on what we were able to accomplish or fail to accomplish. On that day, the accounting of our term will be closed, and it will be possible to truthfully determine whether the promises were carried out. That day is of major significance to us, because we will then have an accurate picture of what we were able to achieve, how far we were able to walk together, and how many bricks we were able to lay in building our future.

To define our tomorrow, we Guatemalans must, above all, unite. We must unite despite our plurality and diversity, always keeping in mind that our main resource as a nation lies in our people as well as in our prolific and diverse nature. Guatemala's unity requires us to advance decisively in solving our main problems that have caused our differences, fragmentations, and confrontations throughout the centuries; thus, we need to build a true and integral democracy in which the state of law will always be in force, a democracy in which the people's participation in every regard will be genuine, where common good prevails over everything else, where justice and fairness prevail in all economic, social, and inter-ethnic relations, a democracy in which all Guatemalans in their neighborhoods, communities, plots, towns, and cities will be able to respectfully and intelligently take steps to protect their natural resources and environment; this will only be possible by starting with a major, common effort, a united effort, an effort shared by all Guatemalans.

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We need a new attitude. The chronic crisis which we have experienced and which we have been dragging for decades has caused a sense of skepticism among the people. The number of those who do not believe in anything or anyone and who have lost confidence even in themselves continues to grow with each passing day. Nothing is more crippling than a nation's lack of confidence in its capabilities and potential. Now is not the time to search for someone to blame but is the time to undertake a thorough self-criticism. Government officials, the business sector, institutions, political groups, the media, social sectors, unions, and the people in general must all reflect. Every person at his level must reflect on what we all have and have not done.

Now is also the time to reflect on the responsibilities we have ahead of us regarding the nation's future. We have chosen on many occasions to turn our backs on Guatemala. We put our personal interests before the general welfare, and we have heightened our differences by means of injustices and prejudices.

Guatemala is in need of major transformations. We are going to embark on these changes and are going to accomplish them. It is impossible to solve in four years problems that have been accumulating for centuries, but it is possible to lay the foundations for solutions by breaking the main, vicious circles that have wasted and asphyxiated our energies. In this regard, we maintain and reaffirm that it is indispensable for us to struggle against special privileges, discrimination, and poverty so we can encourage development, build peace, and guarantee security.

We are going to put the government to work; we have said it on many occasions, but it is necessary to repeat it now, because results speak for themselves, and we must all work in order to see results.

For those of us who are assuming the government today, this task will be our first one, because it represents the tool through which we will function.

The government we are beginning to build has opened its doors to honest and patriotic citizens who have different records and diverse political ideas but who have the common objective of seeing Guatemala push forth based on hard and honest work. Their principles are based on common wellbeing, solidarity, and equal opportunities.

We are open to all ideas, because no one has a monopoly on the truth. Our challenges require that our society be substantially reformed. We must begin meeting our responsibilities by implementing an integral reform of the state first.

The reforms process must begin with a reform of the executive branch. Mr. Deputies, for this purpose in the next few days we will deliver to Congress bills on the executive branch, governmental departments, and on responsibility and honesty. There also will be bills to reform the Law of the Comptroller General's Office and the Law of the Public Security Forces and a package of reforms to the municipal code.

The general objective of [one-second break in transmission] is to allow the state to function flexibly regarding constitutional principles pertaining to subsidies, decentralization, deconcentration, honesty, efficacy, efficiency, and the assigning of functions and interaction with autonomous and decentralized organizations.

Our democracy must be expanded by involving the people in public affairs. Democracy must be extended to cover inter-ethnic relations and become an essential ingredient of our political culture and daily life.

We can summarize the government's fundamental economic objectives by saying the country must make progress on two major tasks that are closely related: fighting poverty through an economy capable of creating honorable and properly paying jobs and producing a fiscal system capable of providing necessary and healthy resources. This is necessary to accomplish the state objective of providing basic services and infrastructures to the people while guarantee g their security.

We are going to collect taxes efficiently and rigorously through an honest and efficient administration. We are going to show the Guatemalan people that their tax money will be the best investment they can make.

One priority of the work aimed at reaching these general and fundamental goals will be to satisfy the legitimate demands of the country's most needy population. To have a growing and job creating economy it is necessary to implement an integral policy that promotes investments favoring small and medium production, thus enhancing the people's ability to have access to property, credits, and jobs.

We must face the large challenge of globalization by creating the foundation for achieving competitive capabilities through clear and stable economic rules, knowing, especially, that we, the people of Guatemala, are the country's main resource for joining the international market. No social policy can work without economic policies. We now have the opportunity to improve the standard of living of all Guatemalans.

[Three-second break in transmission] endlessly produces the miracle of life. We have a generous habitat we must leave to our heirs and the generations that will follow. Our culture dwells in the midst of this pleasant

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world of plateaus, forests, mountains, lakes, and volcanoes. We must take care of the land of (Paxir) and (Tallala) so it may continue producing its white and yellow corn. Our archaeological patrimony must remain in our soil and must be taken care of so it may always remind us of the tremendous spiritual and material work of our Mayan ancestors in this beautiful part of the world.

To be able to build healthily and to be able to set the foundations of the national unity we need so much is necessary to overcome three big challenges: discrimination, privileges, and misery.

There are discriminatory practices in Guatemala despite the fact we all are equal before the law. De facto discrimination is exercised against the indigenous population and against women. Discrimination is the main obstacle against a national identity with which all of us can identify without suppressing our interesting diversity. Macho behavior causes grave injustices and family disintegration and limits the potential of women who, nevertheless, play an increasingly important role in the nation.

Regarding the fight against privileges, we acknowledge that political power in Guatemala has been used for centuries to grant advantages to individuals and groups to the detriment of the rest of the population. Centralized, political power has led to the concentration of resources. The abolition of these privileges is necessary to march on the road to equal opportunities.

The war on extreme poverty is taking place within a general plan to combat poverty, but by paying special attention to the extreme forms of poverty resulting from the shortage of basic services in health, education, and infrastructure. We declare it the government's priority task to provide these services for those who have always lacked them. By waging these three forms of war and what they involve, we will seek our great objectives; that is, to give impetus [words indistinct], to build peace, and to ensure security. We will give impetus to a development in which costs and benefits are shared, a development which will spread to all corners of the country.

Citizen security. This objective is another important one for us. Our citizens, our families endure daily the fear of suffering abuse. This cannot be fertile ground for building our development and coexistence. We are going to strongly fight this [two-second break in reception].

The people must responsibly participate in this struggle and do it through legal means. We believe it is necessary for the state to directly fight impunity so as to fulfill its human rights duties. We know there are people and groups that commit their crimes while enjoying the protection of sectors of power that often have links with the state apparatus. We have the firm resolve to dismantle the shameful alliance that has made it possible for bands of organized crime to operate in our nation as they please. [applause] Never again will we allow the state apparatus to shade criminals in our fatherland. [applause]

We will act strongly to fight the cancer of drug trafficking, which corrupts everything it touches, violates our sovereignty, and represents a serious, national security problem.

The issue of peace is a crucial one; it is crucial for our country. Our country is still immersed in an internal, armed conflict which has been wearing us out for decades and in which the terrible costs are well known by everyone. This conflict has worn our society to its marrow and has prompted the loss of thousands of lives due to violence. It has deeply damaged the fabric of our coexistence and has exacerbated feelings of intolerance and dissension among us.

From here on we will be embarking on the culture of life, the culture of life, hope, a new resurrection in which there will no longer [five-second break in reception], because the rivers of tears caused by the injustices from those who have scorned the poor and the weak must today prompt us to forgive, because retribution never brings back the dead. [applause]

Peace will only be firm and long lasting when we are able to accomplish [two-second break] so they can join the campaign in the struggle for a country for all of us, a country with faith in the future, hope in its children, and a people who are able to live with confidence and dignity. We are aware that beyond the roots and causes of the conflict, mutual distrust has been the main impediment to peace and greater fluidity in the negotiations. We believe distrust must be overcome based on concrete actions and attitudes.

Our administration will respond to the priorities of national interest without subordinating whatsoever to those pressure groups that have traditionally used their muscle to obtain and preserve specific privileges opposed to the welfare of the majority. On the basis that confrontation should make way for reconciliation, we call on the Guatemalan National Revolutionary Unity to undertake its best effort so peace can be accomplished as soon as possible. We invite the insurgents to become part of the legal framework of the collective efforts on which we will be embarking for the benefit of Guatemala.

On the eve of the coming visit of His Holiness Pope John Paul II, I would like to recall the wise recom-

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mendations included in his last encyclical entitled "For Everyone To Be One." It states: God does not accept sacrifices from an individual who is not in harmony with his fellow man, and He instructs him to leave the altar and to first reconcile with his brother. Once in peace with his brother, he will then be able to reconcile with God through prayer. In the eyes of God, the most important sacrifice is our peace and fraternal harmony. On the eve of the new millennium, how are we not going to ask the Lord, with renewed momentum and a more mature awareness, for the grace to prepare us all for this great sacrifice of unity?

Guatemala's Armed Forces are being called upon to be a defender of peace, an Army which, from its institutional competence and integrity, will actively participate in the country's development, an Army that will modernize and at the same time support our society's modernization, an Army that will cooperate in all efforts of recovery and reconciliation. We envision an Armed Forces that is modern as well as supportive of the people, whom they have sworn to defend, and we intend to support the internal efforts this institution is undertaking for its restructuring. An army that is born and continues to nurture itself from the people must be at the service of the people. [applause]

We ask businessmen to have faith in the homeland and to be courageous and, in particular, generous. Keep in mind that God did not create Guatemala to be enjoyed by a few but, rather, to be shared by all. [applause] We are inviting businessmen to invest in Guatemala, to create jobs, and to improve the living conditions of workers and their families so together we all can build a brighter future. We will appreciate their effort and creativity. Let them have faith. We will give certainty to their investments. The taxes they pay will be used to do the work we have desired to do for so long. We will reward those who invest in Guatemala and regard human beings as the most valuable asset of their enterprises. [applause]

I ask workers to struggle hard to increase production, because only in this way we can guarantee that the fruit of their efforts will be better rewarded. We recognize that the workers' arduous efforts are a decisive factor for the success of the enterprises. Similarly, we recognize the workers' right to a truly effective social security system. At the same time, we underline the importance of ethics and personal effort in work.

We ask the media for a constructive and patriotic criticism that helps the country. We ask the press to report any mistakes we make but also to report any good things we do. We appeal to the media's awareness [applause] so they, with their enormous influence, can contribute to rescuing Guatemala from the culture of pessimism and help us light the fire of optimism. [applause]

I invite parents to struggle with us to help Guatemala face the tremendous crisis of values looming over us, to turn Guatemala into a country of morals and principles, to respect the elderly, to love and to protect our children, to advise our friends, and to pardon our enemies. [applause] Optimism and hope are represented most of all by the young people and children of our homeland. They represent half of our population and carry with them the promise of a plentiful future. They drink from the rich sap of our old cultures. The foundations we start to build today are the bases on which our young will build the Guatemala of tomorrow. They carry with them the strength and new ideas required by the transformations starting today. Believe in your country, love it, care for it, cultivate it, respect it. Make generosity and sacrifice a vital exercise to constantly improve the country.

I am telling the community of nations that Guatemala will play the role befitting it as a country of peace and law. I thank them for the support they have offered my country and urge them to accompany us in this new and crucial path. From other countries, which are all the peoples of the world, we expect advice and prudence, fair trade, and respectful solidarity with everyone's feelings and way of thinking.

To my predecessor, Ramiro De Leon Carpio, and his vice president, Arturo Herbruger Asturias—my recognition for the work they have performed. They assumed the country's command in the middle of a serious crisis, yet they succeeded in restoring the disrupted nation so the country could retake the constitutional road it is still treading. [applause] They held their positions honestly and devotedly. They held their positions honestly and devotedly, [repeats himself] [applause], and in this way they restored the dignity such positions had lost.

In short, we are at the threshold of a new millennium, according to the Western calendar. For our country's Mayan nation, we are also in a period marking the end of a complete cycle, according to their calendar. These are times of great changes and transformations in which it is impossible for us to remain as simple spectators, but we must become active participants. I as president represent the unity of the nation, but in this major effort, the government, much less the president, is not the only one responsible for everything left to be done. We all are responsible. We cannot allow the weight of our problems and the lack of confidence in our opportunities to immobilize us.

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Let us carefully take a look at an Indian weaver, but let us also painstakingly take a look at the entire picture. If we only note the thousands of colored threads lying at the bottom of the weaver's basket, we will only visualize a reality in which there is no hope, future, order, purpose, or horizon. What we will see is only chaos and confusion, but if we patiently watch how the various threads slowly combine, how the colors slowly intermingle, how every thread is important and contributes something together with the others in a unified effort, then we will begin to see the result. We will start to see that something surprising is being woven and that almost by a miracle a new universe begins to take shape. Figures and colors will begin to appear to culminate in a magnificent example of harmony and beauty—an Indian fabric, a garment that represents our nationality. This is an adequate and appropriate image for us to envision in the unified effort between us all, an image we will be able to undertake in bringing about a Guatemala reconstructed, unified, and full of hope where everyone is important, where everyone will contribute to the marvelous, combined effort of a people who work, produce, rise, develop, and progress with creativity and energy toward their future.

We can do it, Guatemalans. We can do it with everyone's help. Let us all go forward, together, and turn Guatemala into a great nation. With all of us together and with God's help, we can do it. Thank you. [applause]

Honduras

Hang, Romero Receive Promotions

96P20203A San Jose LA NACION in Spanish
22 Dec 95 p 1

[FBIS Translated Text] Honduran President Carlos Roberto Reina presided yesterday, Thursday, over the promotion ceremony of 102 Armed Forces officers, among them General Mario Hung Pacheco, who will assume command of the Armed Forces in January 1996.

The Honduran Armed Forces now have five new brigadier generals. The four-star generals promoted yesterday were Mario Hung Pacheco, current commander of the Army; Roberto Lazarus, Chief of Police; Oscar Servellon, head of the Air Force, Bruno Fontana, commander of The Navy; and Alvaro Romero, head of the Presidential Honor Guard.

The ceremony took place at "Francisco Morazan" Military Academy in the presence of government officials, members of congress, diplomats and military officers from Guatemala, El Salvador and Nicaragua, among other guests.

Reina pointed out that Honduran Armed Forces carry out their mission with responsibility, and that with the end of the "cold war", the armed forces play a new role in the development of nations.

During Reina's administration, the Honduran National Congress abolished compulsory military service and replaced it with "a voluntary, educational, social, humanistic, and democratic" service. Congress also approved the transfer of the police from under the Armed Forces command to a civilian authority.

The current head of the Armed Forces, General Luis Alonso Discua, will finish his assigment on 27 January 27 1996.

Airport Privatization Plan Revealed

96CA0105A San Jose LA NACION in Spanish
24 Dec 95

[Received via Internet]

[FBIS Translated Text] Tegucigalpa (ACAN-EFE)—The Honduran Government has privatized the administration of the nation's airports, which will be managed by national or foreign companies that obtain the pertinent concessions from the state.

The Law on Granting of Concessions for Airport Services Operation, passed by the National Congress, establishes a 10-year term that may be extended for the concession contracts.

The new law is part of a state modernization program promoted by President Carlos Roberto Reina's government. It includes the privatization of other services, such as telecommunications and electric power, as well as the merger and closing of various government institutions.

The privatization will cover the airports in Tegucigalpa, San Pedro Sula, La Ceiba, and Roatan (Islas de la Bahia), the latter two in the Caribbean.

The purpose of the new legislation is "to grant concessions for the construction, installation, restoration, repair, expansion, improvement, administration, development, and commercial operation of the country's civil airports." The concession contracts will be negotiated by the companies concerned with the Secretariat of Communications, Public Works, and Transportation (SECOPT), and will later be approved by the National Congress.

The rates to be charged to users of the airports also will be set by the SECOPT and the concession-holding company.

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The concession system has been planned for several years for the construction of the new Tegucigalpa airport, which is a "long-standing dream" of governments and residents of the Honduran capital.

"Toncontin," the present capital airport, was built about 50 years ago, and the area's rugged terrain and its location, almost in the middle of the city, have converted it into one of the most dangerous in the world.

The Reina government decided to build the new airport in La Laguna del Pedregal, a few kilometers southwest of Tegucigalpa. However, some business sectors favor the Palmerola military base in Comayagua, in the country's central region, for use as a civil airport.

The Roatan airport, in the Islas de la Bahia archipelago, was financed by Spain and opened last February by Reina and his Spanish colleague, Felipe Gonzalez, during the latter's official visit to Honduras.

The Roatan terminal has fallen into disrepair owing to the lack of a budget for its management, according to sources at the Civil Aeronautics Directorate.

In San Pedro Sula, the work on renovating the airport, also financed by the Spanish Government, is about to be completed.

Government To Cut Export Taxes

96CA0105B San Jose LA NACION in Spanish 28 Dec 95

[Received via Internet]

[FBIS Translated Text] Tegucigalpa (ACAN-EFE)—Yesterday, Wednesday, the Honduran Government announced an economic reactivation plan calling for, among other measures, the reduction or elimination of export taxes on various products.

The program was devised by the Economic Cabinet, taking into account the contributions from the country's various productive sectors, with which it has held meetings during recent months.

Before being submitted for the National Congress' approval, the plan will be debated by the National Council on Convergence (CONACON), consisting of representatives of the government and the organized sectors of society.

Covered in the project is the creation of a state bank to pump funds over the medium and long term for reactivating several types of products, including staple grains.

The president of the Central Bank of Honduras (BCH), Hugo Pino, stressed that the plan includes measures in the tax, financial, legal, labor, technological, infrastructural, environmental, and training areas, which will be presented to the sectors involved early in 1996.

The finance minister, Juan Ferrera, explained that it is being attempted in order to reduce certain export taxes, and that others, such as the general one percent tax on the value of exports, will be eliminated.

Also to be abolished is the tax on sugar exports which, according to the official, will represent a loss of approximately 25 million lempiras ($2.5 million).

Another tax being considered for elimination is that on meat exports, also based on problems with shipments abroad, particularly to the United States. These shipments have been halted for several months because of the price cut in that country.

The government also plans to leave banana, mineral, shrimp, and melon exports tax-free.

The five percent tax on coffee exports was abolished last September by the National Congress, owing to the crisis over the drop in the price of the bean on the international market.

According to sources from the BHC, despite the coffee crisis and the decline in banana production, Honduran exports rose from approximately $900 million to $1.2 billion between 1994 and 1995.

This year, the Honduran Government has implemented a severe economic adjustment plan which, according to certain opposition sectors, has raised the poverty levels in the country.

Honduras has met most of the conditions imposed by the International Monetary Fund and other international financial agencies, which have already assured it of their support for renegotiating its bilateral foreign debt in the Paris Club, and of the disbursement of approximately $420 million next year.

Canales Case Judge Receives Threat

96CA0105C San Jose LA NACION in Spanish 28 Dec 95

[Received via Internet]

[FBIS Translated Text] Tegucigalpa (ACAN-EFE)—The Honduran judge, Vivian de Lagos, who is investigating the trafficking of illegals to the United States, and who ordered the imprisonment of the Peruvian, Gloria Canales, presumed ringleader of that Mafia, has received death threats directed against her and her family. A judicial source reported this yesterday, Wednesday.

On at least three occasions during the past few days, a man's voice has given a warning, through phone calls

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to the judge's residence in Tegucigalpa, that De Lagos must stop investigating the smuggling of undocumented persons. Otherwise, he claims, she or her family will suffer the consequences.

The source noted that the Criminal Investigation Directorate (DIC) will order security measures to protect the judicial authority and her relatives.

The DIC is also protecting two other judges threatened with death: Roy Medina, who has held two trials against 15 members of the military for human rights violations; and Rafael Castro, who is investigating the trafficking of passports and has imprisoned the ex-foreign affairs minister, Ernesto Paz Aguilar.

Last week, De Lagos issued an arrest warrant for the Peruvian, Gloria Canales, who is accused of heading an international ring of traffickers smuggling undocumented persons into the United States According to U.S. sources, it was sending approximately 10,000 foreigners there every year, the majority being Indians, Chinese, and South Americans.

Canales, who had her base of operations in Costa Rica, was using Honduran territory as a main passageway for the transit of undocumented persons to the United States.

The Peruvian was arrested about three weeks ago in Ecuador by that country's police, and was extradited to Honduras at the order of De Lagos, who opened her investigations last June, after the capture of 14 Indians in a presumably covert operation.

Sony Reina, an aide to the immigration director, Angelina Ulloa, and presumed accomplice of Canales, reportedly warned the latter that an attempt would be made to capture her along with the Indians.

Reina, unrelated to the Honduran presidential family, traveled to the United States shortly thereafter to testify in court concerning her participation in the case.

The Honduran and U.S. police consider Canales' capture a major blow to the smuggling of illegals.

The DIC and the Anti-Corruption Attorney's Unit of the National Public Prosecutor's Office are investigating the possible connection of Immigration Directorate officials and diplomats with Canales' activities.

Last week, the Costa Rican Judicial Investigation Agency (OIJ) sent evidence to Honduras against the Peruvian. This evidence was obtained during the searches of several residences that she had in that country.

President Hopes To Reduce Inflation in 1996

96CA0105D San Jose LA NACION in Spanish 25 Dec 95

[Received via Internet]

[FBIS Translated Text] Tegucigalpa (ACAN-EFE)—The public debt funding in the Honduran Government's revenues and expenditures budget for 1996 exceeds the funds approved by the deputies for education and health. Of the nearly 9.8 billion lempiras ($980 million) that will comprise the 1996 budget, 31.6 percent will be for the public debt, although the investment for the social sector has been set at 35.7 percent.

For education, the funding will be 1.5491 billion lempiras ($154.9 million); followed by health, with 1.1029 billion lempiras ($110.2 million). A budget of 3.0429 billion lempiras ($304.2 million) was assigned to the public debt, whereas 1.1296 billion lempiras ($112.9 million) will be allocated for centralized services.

When the Honduran president, Carlos Roberto Reina, took office in January 1994, he promised a government with a "human face," and social compensation, after four critical years marked by the drastic economic adjustment measures enacted by ex-President Rafael Callejas in 1990.

Reina also promised to earmark 35 percent of the budget for the social sector: a figure too small to solve the multiple problems of the majority of Hondurans. In comparison with the 1995 budget, that of 1996 will have an increase of approximately $47 million. In 1996, the government expenditures on defense and public security will be 330.9 million lempiras ($33.09 million).

Other institutions, such as the State Prosecutor General's Office, will have funding of $10 million; the National Congress, $11.8 million; the judicial branch, $18.2 million; the Presidency of the Republic, $8.3 million; and the electoral agency, $11.2 million. Overall, the budget of revenues and expenditures is distributed as follows: 35.7 percent for the social sector, 31.6 percent for the public debt, 9.2 percent for infrastructure, five percent for production, and 15.3 percent for other services. Next year, the Office of the Commissioner for Human Rights will operate with funding of $600,000. Reina expects the country to have a substantial economic recovery in 1996, when it will begin receiving the disbursement of approximately $220 million to modernize the state, financed by the World Bank and the Inter-American Development Bank (IDB). Moreover, he expects an increase in exports, which will amount to about $1.2 billion this year.

One of Honduras' main problems is that imports always exceed exports, to the point where it began this year with

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an unfavorable trade balance of nearly $500 million. As a challenge, the president has set out to reduce inflation, which he failed to do in 1995, when it shot up to 25 percent, according to official sources. However, private agencies claim that the cumulative inflation exceeds 30 percent.

As for economic growth, this year it was four percent, whereas the fiscal deficit was cut from 11.6 percent to 3.6 percent, as Reina claimed on Friday. Other problems afflicting Honduras are its foreign debt ($4.1 billion), the unemployment of a million persons, an equal number of underemployed, an illiteracy rate exceeding 40 percent, the demand for some 500,000 housing units, and agrarian conflicts on the part of peasant groups without land or loans for production.

According to the Honduran president, "the worst of the crisis is over now." Among his principal achievements in nearly two years of government, he underscores the pursuit of and battle against corruption, promoted by his government of "moral revolution," for which it also has received international recognition. Internally, he was questioned by certain sectors this week, after announcing his desire to increase the Armed Forces' budget so as to reinforce the educational aspect of the new military service, which has been changed from compulsory to "voluntary, educational, social, humanistic, and democratic."

Japanese Aid Termed Largest to Date

96CA0105E San Jose LA NACION in Spanish 3 Jan 96

[Received via Internet]

[FBIS Translated Text] San Pedro Sula (ACAN-EFE)—A diplomatic source reported yesterday, Tuesday, that Honduras is the Central American country that has received the most economic aid from Japan, which sent $1.1284 billion to this region between 1989 and 1993.

Of that total, $654.3 million was in the form of donations, and the other $474.1 million in loans, according to a report from that Asian country's embassy in Tegucigalpa.

The Japanese ambassador, Michio Hamano, stated that, during that period, Honduras received $442.5 million, and that it is calculated that the economic cooperation for 1996 will total between $40 and $50 million.

Ranking second for Japanese aid received is Costa Rica, with $228.3 million, followed by Nicaragua, which obtained $153 million.

The funds for Panama totaled $133 million; for Guatemala, $100.6 million; and for El Salvador, $71 million.

Japan bases its economic cooperation on conservation and development of the environment, funds not being allocated for military purposes, respect for human rights, the strengthening of democracy, and the mitigation of hunger and poverty.

Japan's aid to Central America is expected to increase within the next few years, with the reinforcement of the Japan-Central America Forum, in which the region will state its priority needs as a bloc.

The Japan-Central America Forum held its first meeting at the end of 1995 in El Salvador.

IDB: Reina's Priority To Reduce Poverty

96CA0105F San Jose LA NACION in Spanish 3 Jan 96

[Received via Internet]

[FBIS Translated Text] Tegucigalpa (ACAN-EFE)—Yesterday, Tuesday, the representative of the Inter-American Development Bank (IDB), Federico Alvarez, claimed that reducing poverty, which afflicts 70 percent of Hondurans, must be the priority for the government of President Carlos Roberto Reina in 1996.

According to the official, the alleviation of poverty will be possible to achieve through the implementation of social programs aimed at making it easier for the citizens' basic needs to be met.

The government predicted that, in 1996, the economic situation will be better than in 1995, because it attained most of the goals in its adjustment plan. This will enable it to balance its finances and to allocate more funds for health, education, and infrastructures.

In his New Year's message on 31 December, Reina stated that the economy grew about four percent, the fiscal deficit declined from 11.6 to 3.7 percent, and the gross domestic product rose 3.6 percent.

Federico Alvarez commented that, "in fact, the macroeconomic indexes improved substantially," which is "very encouraging." However, the government failed to curb inflation, which reached 25 percent in 1995, and during the final months of the year it received demands for wage increases from public employees, trade union organizations, and even the military.

The IDB representative noted that, in 1994, Reina inherited from Rafael Callejas' government "a deteriorated economic situation, an intensification of the fiscal deficit, and public investment problems." He added that,

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owing to that situation, the present government implemented an adjustment plan "difficult to assimilate," but representing "the medicine that will cure the disease," claiming that "it has brought results, regardless of how bitter it has been." As for inflation, Alvarez maintained that "it has begun to be curbed," thanks to the reduction in the banking system's excess liquidity. Nevertheless, he remarked, this does not mean that prices will decline, but rather that they will simply become stabilized.

Panama

President: Study U.S. Bases' Benefits Before Resuming Talks

PA1601193696 Panama City EL SIGLO in Spanish 15 Jan 96 p 6

[By Cynthia J. Sanchez]

[FBIS Translated Text] President Ernesto Perez Balladares has said that "exploratory talks" [conversaciones exploratorias] will be "postponed" [postergadas] until the government can get a complete picture of how a permanent U.S. military presence would benefit Panama. Perez Balladares said that "common ground should be established" through a study on the defense sites by Panamanian economists. The study could help all political and nonpolitical organizations in the country reach a consensus. Perez Balladares added that it is important to give the United States time to formulate its policy on the issue, since various opinions are seemingly being voiced within government circles. "Although I am bound to support the position of President Clinton — my counterpart — I cannot turn a deaf ear to others who are expressing opinions that appear to contradict the U.S. Government's position. The U.S. Government requested the exploratory talks," Perez Balladares said.

Controversy surrounds the issue of whether the U.S. military bases should stay or go, with those opposed to the renegotiation [renegociacion] of the defense sites contending that "it is high time for the Americans to leave our territory."

Perez Balladares confirmed that government officials met with political parties before recommending what Panamanian economists should consider. It was recommended that they consider "how Panama could benefit from use of the military facilities and, if there is no benefit, what it will cost to maintain said facilities in good condition." Other points of interest for the Panamanian Government are the housing areas at Howard, various underground gas installations, and the airport. Perez Balladares stressed that these and other areas are being studied to have the necessary information and a common data base for the Panamanians to adopt the best decision on the U.S. military bases' permanent presence in the country.

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Argentina

Menem Comments on U.S. President's Reaction to Journalist

PY1201225896 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1824 GMT 12 Jan 96

[FBIS Translated Text] Buenos Aires, 12 Jan (NA) — President Carlos Menem today justified the threat of his American colleague, Bill Clinton, to "punch the face" of THE NEW YORK TIMES journalist who termed First Lady Hillary Clinton a born liar, and he came to the conclusion that that reaction "was to be expected."

Thus, the Argentine head of state supported the position of the U.S. head of state, who, through White House Press Secretary Mike McCurry, stated that he was anxious to "punch" journalist William Safire "in the nose."

"I would say that this is something to be expected in political life, which is very harsh, which is not easy. Many people speak very lightly about politics and the politician, but it is not a science or an art that is easily managed," he said.

In this respect, Menem said that "the history and the life of politicians is taken into account for years and years," and he added that "it is enough to read the history that is being written for Clinton and his wife, and this history dates back to the time when he was governor of Arkansas."

Menem considered that "not only is this presidential couple, Clinton and the first lady, referred to, but there is also a reference to how certain situations are being managed, and the treatment is very harsh."

"That journalist of THE NEW YORK TIMES stated that the first lady is an incurable liar, and this provoked a not unexpected reaction from Clinton, who stated that he would punch him in the nose," he said.

Menem maintained that Clinton's situation "is not an easy one," but Menem is convinced that "he will overcome it because he is young, very strong, and very capable, and he is very ably accompanied by his wife."

"I do not think these accusations will come to anything because I believe that they are due, to a certain measure, to the fact that the United States is fully immersed in an election campaign," he said in remarks to Radio La Red.

Economy Minister Cavallo Visits U.S.

PY0501222796 Buenos Aires CLARIN in Spanish 5 Jan 96 p 5

[FBIS Translated Text] Economy Minister Cavallo arrived in Washington on 4 January. He will stay in this city until today, predictably to talk with Clinton administration officials about Argentine Government criteria on the law regulating medicinal patents.

After his meetings in Washington the minister will take a few days off to rest with his family, presumably at some Caribbean beach.

Cavallo is scheduled to return to his office on 22 January, the date a IMF technical mission is scheduled to arrive in the country.

Sources at the Finance Ministry said that Coordination Secretary Horacio Liendo has also taken a few days off with his family in the Caribbean.

Space Agency Plans Launching of Satellite in 1996

PY0801163396 Buenos Aires TELAM in Spanish 1834 GMT 6 Jan 96

[FBIS Translated Text] Buenos Aires, 6 Jan (TELAM) — The National Space Activities Commission (Conae) has reported that SAC-B, the first satellite designed and built in Argentina for basic research in astronomy and solar physics, will be launched from the United States this year. Conae and NASA have an agreement to launch the satellite.

The construction of SAC-B encouraged the development of the necessary technology and experience that permitted the creation of an entire family of light satellites. The next satellite generation is called SAC-C and will be launched in 1998. This satellite will provide information on the handling of natural resources and will evaluate and follow up events when a disaster hits the region.

An official communique says that the development and use of advanced space technologies will receive a boost with the launching of a number of Saocom, observation and communications satellites, for the year 2000.

Conae chairman and scientist Conrado Varotto said that the activities and investments contemplated in the Space Plan "will improve the competitive edge of industrial groups that use advanced technologies."

Varotto said that the service "broadens business possibilities and creates better and greater job opportunities because it helps produce goods and services with a lot of added value."

With these innovations Argentina takes a place among nations capable of developing and using space technologies and opens its doors to international projects that are being implemented in this area.

Project SAC-B is a cooperative effort between Argentina and the United States (NASA).

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Conae will direct and build the project while NASA is responsible for providing a rocket and launching it.

The construction of the satellite is financed by the National Science and Technology Secretariat, through Conicet [National Council for Scientific and Technological Research), and the Inter-American Development Bank (IDB).

SAC-B will be used essentially for basic research: It will measure and register data for scientific studies in astronomy and solar physics.

SAC-C is a satellite with broader applications. It will provide significant data for studies on ecological problems such as desertification and vegetation distribution and characteristics and will help produce an encompassing map of the Patagonia region, which at present we do not have.

SAC-B will be placed in orbit by a NASA Pegasus XL rocket during 1996. The satellite will be placed in a 550-km high orbit. The satellite is supposed to have a life expectancy of three years. A total of 40 Argentine scientists, engineers, and technicians from diverse fields will work on the project.

The ground control station that will supervise the operations of the SAC-B and SAC-C projects is being built in the Buenos Aires neighborhood of San Miguel.

SAC-C will be launched during 1998, also from the United States, and will carry a tele-observation camera to study natural events with an important incidence in regional ecologies and economies.

Foreign Minister Views Relationship With France

PY1201141396 Buenos Aires TELAM in Spanish 1929 GMT 11 Jan 96

[Report by unidentified correspondent]

[FBIS Translated Excerpt] Paris, 11 Jan (TELAM-SNI) — Foreign Minister Guido Di Tella noted today in Paris that former French President Francois Mitterrand's relations with the administration of President Carlos Menem and with the administration of Raul Alfonsin were cordial.

After attending a tribute to the late president in the Notre Dame Cathedral in Paris, Di Tella told TELAM: "Mitterrand's relationship with Argentina was cordial, both with the administration of former President Alfonsin and with that of President Menem."

Di Tella said: "That relationship was very fruitful and continues to be very fruitful." [passage omitted]

With regard to President Menem's upcoming visit to France, which has been scheduled for late February, Di Tella announced that he took advantage of his short stay in Paris "to work" jointly with Argentine Ambassador to France Juan Archibaldo Lanus on preparations for Menem's visit.

Di Tella emphasized: "It will be a very important visit. Since the visit the president and I paid three years ago, the actors have changed. This amply justifies this visit."

Nevertheless, Di Tella emphasized the work by Ambassador Lanus on every aspect of the presidential visit. Di Tella described Lanus' work as "excellent" He added: "This will be noticed at that time."

Chilean Flights to Falklands Authorized

PY1501110196 Madrid EFE in Spanish 1408 GMT 12 Jan 96

[FBIS Translated Text] Buenos Aires, 12 Jan (EFE) — It was reported today that Argentina has authorized the Chilean company Aerovias DAP to establish a new regular flight service to the Malvinas Islands. Argentina and Great Britain have been disputing the sovereignty of these islands since 1833.

Argentine Foreign Ministry sources stated that Aerovias DAP obtained permission to make flights using a Boeing 727 plane between the Chilean city of Punta Arenas and Port Stanley, the capital of the Malvinas. The sources added that until now the service was covered by small turbo-prop planes.

The sources stated this move seeks to improve Argentine relations with the Kelpers (the inhabitants of the Malvinas Islands) who, through the new service of the Chilean company, will find it easier to travel to the United Kingdom.

The Chilean airline bought the Boeing 727 from British Aerospace using a contribution of $180,000 from the Development Corporation of the Falklands, an organization administered by the Kelpers.

The flights between Port Stanley and Punta Arenas include a connection between Santiago, Chile, and London via British Airways.

Economists View Projections for 1996

PY0301182596 Buenos Aires CLARIN (Economic Supplement) in Spanish 31 Dec 95 pp 2, 3

[FBIS Translated Text] Economists of the most varied political hues agree that the Argentine economy will grow by 2 to 3 percent in 1996. This is less optimistic than government projections of 5 percent growth next year. They say that even if the country faces less troubled waters than in 1995, there are still imbalances that preclude vigorous growth next year. They claim the

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1995 recession was much more serious than expected — the GDP dropped by 2.5 percent — while the economic activity downswing has not yet leveled off.

It is generally estimated that output levels in the first quarter of 1996 will be lower than those in the first quarter of 1995, while the long awaited economic upturn will only occur as of March or April, but it will be mild, gently outpacing population growth. In sum, Argentina will be able to recover in 1996 what it lost in 1995, but it will not grow further than that.

The economic team based its estimates on other assessments. It believes the economy will grow by 5 percent — as it did at the start of the Convertibility Plan — fuelled by increased consumption (3.3 percent), investments (12 percent), and exports (7.6 percent). Government estimates a trade balance surplus of $2 billion; public spending slightly lower than in 1995; tax revenues surging by more than 4.3 billion pesos; balanced fiscal accounts; and, it goes without saying, continued parity in the rate of exchange between the dollar and the peso. Oddly enough, official forecasts for 1996 do not include unemployment projections.

The economists consulted by CLARIN envisage a scenario in which consumption will barely rise — estimates vary from 0.3 to 1.5 percent; investments will show a record increase of between 2 and 7 percent; and exports will be up by 5 to 10 percent.

Why don't these projections tally with the official ones?

Miguel Broda believes the Argentine economy is still fragile, vulnerable, and too dependent on external conditions. Broda claims that because of the favorable international context, evinced in reduced interest rates, his projections for 1996 can be labelled as "moderate optimism." He believes the slightly increased consumption will leave less room for boosting exports.

Adalberto Rodriguez Giavarini, UCR [Radical Civic Union] deputy and the "shadow economy minister," also forecasts a moderate GDP growth of 2 percent as a result of slackening consumption which, however, will not be instrumental in creating new jobs; thus, high unemployment rates will not vary substantially.

Miguel Peirano and Federico Poli, of the UIA [Argentine Industrial Union] Economic Department, believe the drop in international interest rates coupled with greater harmony on the political front lead one to expect moderate inflows of capital with maintained bank deposit levels. Even so, they contend that GDP growth will be insignificant and that small and medium sized enterprises and regional economies will not derive any benefit from this unless credit restrictions on productive activities are remedied.

Hector Valle, FIDE (Research and Development Foundation) chairman, believes the expected dynamism in exports of primary products — particularly commodities and hydrocarbons — is the only certainty of helping to pump-prime the economy. He said there is an impetus caused by increased international prices for agricultural products, which will be offset by the decline in the price of industrial "commodities" [preceding word in English] and a slackening demand from Brazil.

Carlos Perez, from the Quilmes Bank Economic Department, believes domestic and international conditions are favorable, which leads one to believe that fiscal, financial, and external "financing" will be available in 1996. He predicts that Argentina will grow, but at a slower rate than in the four years that followed the implementation of convertibility. Roberto Zorgno, from the Argentine Credit Bank, said something along the same lines, namely that upward international interest rates have leveled off and that there will be an upturn in economic activity in Argentina as of the second quarter of 1996. Zorgno — the most optimistic private sector economist — believes the GDP will grow by 3 percent next year.

Daniel Novak, from the Cedei Independent Research Institute, believes Argentina's GDP will grow between 2.2 and 2.8 percent. He explained that this year's GDP decline will be greater than expected and that the economy will bounce back next year. Roberto Lavagna, from Ecolatina, says the GDP will grow by 2.2 percent in 1996. He added that the agricultural, mining, and hydrocarbons sectors will be the driving force behind this growth.

Arnaldo Bocco, a Frepaso [Front for a Country in Solidarity] economist, foresees a 2.5 percent GDP growth fuelled by a 10 percent increase in exports because both consumption and investment will increase slightly.

All the economists consulted by CLARIN agreed that the budget — which by mid-1994 was already showing a deficit even though it includes the proceeds from privatizations — will continue in the red even though the economic team claims the accounts are balanced. The problem lies in the fact that government revenues are dependent upon the level of activity due to the predominance of taxes on consumption.

The economists believe government revenues are overestimated; in the case of social security contributions, the 1996 budget estimates that the number of registrations for paying this tax will increase by 1.1 million — a 25 percent increase — which will offset the cut in employers' contributions. Official privatization estimates are under $1 billion (Salto Grande hydroelectric power plant, Nucleoelectrica, and the sale of Gas Ban

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shares) because there is very little left to privatize. As for outlays, the authorities concede that they tend to be underestimated. It is thought that fiscal deficit will be between $2 and $4 billion, according to how consumption evolves and the way the incumbent administration combats tax evasion and tax arrears. The provinces, which were $2.3 billion in the red in 1995, will be unable to wipe out that deficit. Its exact magnitude will depend on how deeply the provincial governments adjust their economies, although the economists believe this will give rise to political tension and problems in levels of activity due to the influence of public jobs on provincial economies.

With regard to the external sector, exports will no longer have the dynamism of 1995, which is already evinced in the slow-down in the sale of products abroad over the last few months. Imports will increase slightly, but Argentina will continue to have a trade surplus of about $1 billion. The balance of payments — calculated from exports, imports, profits earned abroad, services, etc. — will have a deficit which Broda estimates at $3 billion and which Roberto Lavagna estimates at $5 billion.

Labor Minister on Unemployment

96SM0041B Buenos Aires CLARIN (Economic Suplement) in Spanish 24 Dec 95 p 4

[Interview with Labor Minister Armando Caro Figueroa; place and date not given; first paragraph is CLARIN introduction]

[FBIS Translated Text] Although the administration was relieved to see the decline in the unemployment rate, Labor Minister Armando Caro Figueroa acknowledged that there are serious problems on the labor market. In light of the imminent cuts in provincial government payrolls, he recommends that the provinces follow the course that the national government has, promising funds and advisory assistance to minimize the impact of the reforms. The following is a summary of his conversation with CLARIN.

[CLARIN] Are there certain elements to the decline in unemployment that are not very encouraging?

[Caro Figueroa] No, it seems to me that the decline in unemployment has to be underscored without qualifications. But this does not mean that all problems have been reversed, not even that they are on the way to being solved. We have seen that the worst employment crisis in history has passed, but even in this scenario we must admit that there are serious problems on the job market.

[CLARIN] Why do you think the unemployment rate fell?

[Caro Figueroa] There are two main reasons for the decline in unemployment. The first is the smaller number of people looking for jobs.

The second is that the decline since last year in the number of people with jobs has been halted. Over the past six months 15,000 net jobs were created.

[CLARIN] Why are fewer people looking for jobs?

[Caro Figueroa] In my opinion there are two reasons. (1) Discouragement, in other words, people enter the market thinking that they will find work and, when they do not, they get discouraged and stop looking. (2) Household income has improved. We are no longer seeing the layoffs, the elimination of overtime, and the shortening of the workday that had shrunk household income during the first half. The situation began reversing itself around September, and overtime and the other things started reappearing, as a result of which household income recovered, and consequently other members of the household (the wife or the eldest child) left the job market.

[CLARIN] How do you explain that the employment rate (the percentage of people with jobs) in Greater Buenos Aires is the lowest since 1983?

[Caro Figueroa] Over the past 12 months the economy destroyed a great many jobs. When the unemployment rate peaked at 18.6 percent, the rate of labor force participation was on a clear-cut rise, with a fall in the level of employment. The level of employment has now halted its decline, and the rate of labor force participation has fallen; we thus have the unemployment rate of 16 and a fraction percent. One can draw another conclusion. With the 43 percent rate of labor force participation in May 1995, we can readily visualize the hidden unemployment rate that the Argentine economy has always had. This means projecting the May rate of labor force participation backward and seeing how high unemployment would have been.

[CLARIN] In light of the economic and cultural causes of a higher rate of labor force participation, does it make sense to play these mathematical games?

[Caro Figueroa] It is an exercise like any other. But it shows us that there are people who are physically, intellectually, and culturally able to work but who were not looking for jobs a year ago. And this, in technical terms, is hidden unemployment, and it serves to show that the labor market has more problems than the jobless rate reflects.

[CLARIN] How are the provincial cutbacks going to affect the unemployment rate?

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[Caro Figueroa] That depends on how they carry out the reconversion. Some provinces will resort to voluntary retirement; others will privatize services or set up funds to place civil servants in new jobs. If we look to the medium term, the effect will be positive for employment because misallocated resources will be freed up.

[CLARIN] But in the short run they will create massive unemployment. What happens during the transition to the medium term that you talk of?

[Caro Figueroa] In the short run the cutbacks are inevitable because the provinces are not paying salaries, have heavy taxes, and are tremendously inefficient, which discourages investment and jobs.

The transition depends on the skill of each province. The ones that are able to find jobs for workers will dampen the social impact of the cutbacks. The idea is that the provinces will set up job-placement funds (as the second reform of the state provides for) instead of laying off workers. But if the provinces throw people out or give them voluntary retirement and wipe their hands of the problem, the effect could be very negative.

[CLARIN] What guarantee is there that the labor reform will help create jobs rather than prompt companies to boost profits?

[Caro Figueroa] In a market economy such a guarantee does not exist.

[CLARIN] What is the CGT [General Confederation of Labor] saying about all this?

[Caro Figueroa] The CGT is saying what any union would say. They emphasize unemployment and in some instances agree with the administration and in others they do not. The main point of disagreement is the role that collective bargaining has to play. We think that it has a very important role, but the current legal framework is not appropriate.

[CLARIN] How many people are collecting unemployment benefits?

[Caro Figueroa] One hundred-sixty thousand.

[CLARIN] And how many people are jobless?

[Caro Figueroa] Approximately 2.3 million. The reason for the low proportion is that some of the unemployed have never worked, and others were in the underground economy and thus are not entitled to benefits. Of those who are entitled to collect, around 90 percent are.

[CLARIN] The most recent numbers show how the length of unemployment (the average period people remain jobless) is starting to increase. To what extent is this worrisome?

[Caro Figueroa] There can be no doubt that this is worrisome. Therefore, when we look at the numbers, we have to go deeper than the 16 or 18 percent, which has major symbolic importance but does not exhaust the analysis.

Provincial Unemployment Viewed

96SM0041C Buenos Aires CLARIN (Economic Supplement) in Spanish 24 Dec 95 pp 6-7

[FBIS Translated Text] **Now, Cutbacks in the Provinces**

Unemployment declined in the interior of the country in October. One exception was Cordoba, where the reconversion of the public sector has already put many people on the street. In Rosario, the unemployed have a union.

Running counter to the national trend, unemployment kept increasing in Cordoba. Joblessness rose from 9.6 percent in October 1994 to 15.9 percent last October, and underemployment is up from 6.8 percent in May to 12.2 now.

Nevertheless, the province's undersecretary of labor, Norberto Ciaravino, said that he was "somewhat relieved" to see these numbers. "We thought that they could have been higher," he told CLARIN, "because of the impact that the recession had on the automotive industry, commerce, and construction."

To Silvia Montoya, a researcher with the Mediterranean Foundation, the reconversion of the public sector is one of the main reasons for the rise in unemployment. "The suspension of payments by the provincial treasury and the issuance of bonds to consolidate the cumulative debt worsened the problems stemming from the fall in domestic demand and forced belated cutbacks," she said.

The plan undertaken by Governor Ramon Mestre has already left 2,500 contractors without work and cut the work week of public employees to 24 hours, as a result of which Indec [National Institute of Statistics and Census] counts them as underemployed. Ciaravino explained that this was a "transitory phenomenon because the shorter work week will be phased out starting in April."

Benito Alvarez (37, married with three children) was one of the people who lost their jobs. "First they cut my salary 30 percent, like all civil servants. Then they fired me without a peso of severance pay," says the painter who use to work for the province's Architecture Department. Alvarez added: "You cannot get odd jobs, because homeowners are now doing their own painting."

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As to next year's prospects, Silvia Montoya cautioned that "they will probably not be much better for Cordoba." She based her assessment on the fact that "much still remains to be done in cutting back provincial and municipal government."

Surprise in Tucuman

In Tucuman, the drop in unemployment from 19.9 to 12.9 percent surprised even the governor. Antonio Bussi refused to believe it. "We are in the middle of the period between harvests; it could not have dropped." Economist Osvaldo Meloni, a professor at the National University of Tucuman, observes that "over the past 30 years Tucuman has had strikingly high unemployment rates. Of the 60 surveys taken from October 1964 to May 1994, it has been over 10 percent 35 times."

"Taking the data from the May survey, since 1974 we have posted the highest unemployment rate 10 times and the second highest five times," he notes. His conclusion is that "this dubious achievement alerts us to the structural nature of unemployment in Tucuman," and he recommends "wide-ranging deregulation of the labor market" as a solution.

[Box, p 7]

The Jobless Club

Almost as an instinct, as if preparing for what was to happen 10 years later, when Rosario had the honor of being among the cities with the highest unemployment, a group of jobless metalworkers founded the Union of Unemployed Workers (UTD).

Unemployment has risen gradually from 1985 to the present. "But we never thought that we would hit the current 20 percent," remarked Jorge Pendino, 45, the secretary of the country's first union of the unemployed.

The UTD has had some accomplishments. For example, in Rosario its affiliates pay half price for urban transport. In addition, it secured a moratorium on municipal taxes and, most importantly, has created some temporary jobs.

"We organized a cooperative that did work for the municipal government on city streets," Pendino relates. Agreements have also been signed with Telecom, to prune trees that were interfering with phone lines and to train workers who later joined the firm.

The union then spread to other cities around the country and is currently part of the Argentine Workers Congress (CTA). "We have more than 100,000 affiliates and we hope to reach 500,000 because of how things really are; the economic plan is dead, and we are worse and worse off," Pendino asserts.

The major concern today is PROAS [expansion not given], the national government's program "under which some of our affiliates can work in the municipalities and make 200 pesos a month," the union's secretary says. The point is that the contracts expire at year's end and "are not going to be renewed."

To Pendino it is "untrue that unemployment is down"; one of his arguments is the bankruptcy proceedings that have been initiated in the country and that "in some cities are up 120 percent this year."

As for growth, he feels that "the only thing that has grown is unemployment, and, therefore, what will continue to grow is our union, which must be the only one that would rather not exist."

Unemployment in the Main Cities

City	May	October
Greater Buenos Aires	20.2	17.4
Federal Capital	14.3	13.3
Greater Rosario	20.9	18.4
Cordoba	15.2	15.9
Greater La Plata	15.4	19.8
Tucuman	19.9	19.2
Santa Fe	20.9	20.3
Bahia Blanca	20.2	16.6

Provincial Protests, Strikes Reviewed

96SM0040A Buenos Aires LA PRENSA in Spanish 17 Dec 95 p 6

[Article by Mariano Gondar: "There Were More Than 60 Work Stoppages in the Provinces in November"]

[FBIS Translated Text] The austerity policies implemented in the interior triggered protests by public employees, who joined the ones that private-sector workers have staged as a result of the crisis in the regional economies.

The austerity policies, the crisis in the regional economies, and the layoffs of civil servants in the interior triggered more than 60 strikes last November in 16 of Argentina's 24 provinces. Ninety percent of the strikes were staged by government workers demanding payment of their back salaries, which in some cases, such as Chaco (see box), were three months

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behind. The wage-related troubles were compounded by marches denouncing the austerity policies that the governors are pushing and that include salary cuts and wage payments in the form of bonds.

The following are some salient details about the conflicts:

—The province that recorded the most serious incidents was Rio Negro: 10 arrests, people wounded, cars set ablaze, and public buildings damaged.

—The walkout that lasted the longest was the one by road workers in Salta: five weeks.

—The sector in which the most strikes were staged was education.

—Several provinces were brought to a complete standstill: San Juan, Jujuy, La Rioja, and Rio Negro.

—The affected provinces are: Buenos Aires, the Federal Capital, San Luis, Catamarca, Misiones, Cordoba, Tucuman, Santa Fe, Santiago del Estero, Tierra del Fuego, and the others mentioned earlier. The workers chose to express their opposition by hurling rocks at public buildings, setting fire to barricades of tires, blocking roads, and setting up soup kitchens in the street. In addition, November saw a nationwide general strike called by the labor unions that oppose the administration.

There were 13 strikes in Catamarca during the month. Municipal workers, teachers, and the employees of Sanitation Works marched; their common denominator being late wages. Next on the list came Rio Negro and San Juan, both with six. These two provinces, along with Jujuy and La Rioja, were completely shut down for one day. In Rio Negro, where the most violent marches took place, the workers in the Rio Negro State Front (FER) demanded their back pay, and denounced wage payments in bonds, the appointment of Massaccesi as the province's third senator, the cutbacks ordered by the executive branch, and the privatization of state-run enterprises.

In San Juan, doctors and health care workers, teachers, and state and municipal workers demanded their October pay, while teachers went eight days without giving classes. The province was paralyzed on the 19th (18 of the 19 municipalities gave the day off), and the conflict prompted the resignation of Economy Minister Raul Benitez.

In La Rioja, civil servants, teachers, court employees, legislative workers, and health care workers staged protests, shutting the province down on the 14th as they demanded their September and October paychecks. In Jujuy, the demands, channeled through the Multisector Board, which brings together government workers, shopkeepers, businessmen, and members of the church, were for the immediate convertibility of the Jujuy bond (besides back pay) and against the transfer of the Social Security Fund to the national government. The company Aurora Grundig laid off 249 metalworkers, a cutback that affected its plants in Avellaneda, the Federal Capital, and Catamarca. The delegates of the UOM [Metalworkers Union]-Ushuaia formed a committee along with the Labor Ministry, employers, and labor leaders, but so far they have not reached an agreement. In Salta, teachers stayed away from class for 10 days and, along with municipal employees, retirees, federal workers, and physicians, demanded two months back pay. They set up soup kitchens and blocked roads, and unexpectedly, road workers stayed off the job for five weeks.

In Buenos Aires, health care workers marched on the local Health Ministry to protest the reform of their bylaws, and court employees challenged the wage cut ordered for this sector. Physicians and health care workers in Mar del Plata marched in support of the same cause.

In Santa Fe, workers at the Fray Luis Beltran and Domingo Matheu military plants blocked roads to protest their unpaid wages.

In Santiago del Estero and Cordoba, teachers denounced pay cuts and education reform respectively. And in San Luis, the Chamber of Commerce, Industry, and Production mobilized to demand that Governor Adolfo Rodriguez Saa declare an emergency among small and medium-sized businesses owing to the economic crisis in the province.

[Box, p 6]

People Hunting for Food in Chaco

The most striking incidents caused by the failure of the civil service system to pay its employees took place in several municipalities in Chaco Province. The watchword is that "anything goes when it comes to getting food."

Some public employees in 10 municipalities around the northern province have not been paid for three months.

But the most graphic case can be seen in La Escondida, a town 70 kilometers from the provincial capital; its 50 civil servants have food because they formed groups to hunt alligators, capybaras, "guazunchos," and other wild animals, which they use as the main ingredient in the soup that they cook in huge kettles every day outside the now shut down city hall. They received their last paychecks three months ago and are also owed half a Christmas bonus.

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The Justicialist mayor, Ricardo Paulon, holds the sessions of the Deliberative Council in the home of councilwoman Sixta Sotelo (also a Justicialist). At one of these sessions they hired 15 people, decided not to pay the strikers, and appointed the officials of a parallel union that they recognize officially.

[Box, p 6]

Strike by Opposition Unions

To mark the protests that were being staged in the country's interior in November, the three main opposition unions called a general strike that included a march into Mayo Square. The hallmark of this strike was that it was fueled by the conflicts taking place in the interior, an unaccustomed development.

The Argentine Workers Movement (MTA), the Argentine Workers Congress (CTA), and the Combative Classist Current (CCC) called their third mass protest against the prevailing economic model. In addition, they denounced any law that would grant broad powers to President Carlos Menem to hike taxes and fire workers.

The speakers, Jujuy municipal worker Carlos "Perro" Santillan (CCC), Victor de Genaro (CTA), and Juan Manuel Palacios, agreed to form a Liaison Board among "our unions, but not the employers' CGT [General Confederation of Labor], which has betrayed the workers and is pro-Menem," and they called on deputies and senators "to legislate for those who elected them."

Brazil

Sen. Magalhaes Meets Cardoso, Calls 'Truce' on Sivam

PY1301002896 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Jan 96 Section 1 p 7

[Report by Marta Salomon]

[FBIS Translated Text] Brasilia — After conferring with President Fernando Henrique Cardoso, Senator Antonio Carlos Magalhaes (PFL-BA) [Liberal Front Party-Bahia], chairman of the Senate super committee on Sivam (Amazon Region Surveillance Project), has called a truce regarding the $1.4 billion project.

Late in the afternoon, Sen. Magalhaes proposed the first step to observe the truce; that is, that the super committee decide the fate of Sivam by no later than 7 February. Magalhaes' proposal was quickly approved in a clear sign that opposition to Sivam in the Senate is no longer what it used to be.

Commenting on his meeting with Cardoso, Magalhaes said: "I went to convey my gratitude to the president and we conferred briefly." Magalhaes was grateful to Cardoso for the accord concluded on 5 January to sell the Economico Bank to the Excel Bank, in which the Central Bank absorbed part of the loss, as the Bahia PFL bloc advocated.

In light of the solution found to the Economico Bank case, Sen. Magalhaes stopped bombarding Sivam. Although he still plans to vote against the foreign loan authorization that would pave the way for the contract with Raytheon to stand, Magalhaes is no longer planning to attack the project.

Senator Hugo Napoleao (PI) [Piaui], PFL leader in the Senate, said: "He (Magalhaes) has put his belligerent tone aside."

Magalhaes has set aside the charge he had raised against Raytheon. Yesterday, during a session of the super committee, Magalhaes ignored a petition by Senator Eduardo Suplicy (PT-SP) [Workers Party-Sao Paulo] that he share his charges with his colleagues.

In December, when the Sivam crisis was at its worst, Magalhaes went as far as saying that Sivam was dead and buried. Last week, he told his friends that the adverse mood toward Sivam had passed despite the fact that the Aeronautics Ministry's answers were considered to be insufficient to rebut the charges of irregularities raised by the TCU (National Accounting Office).

In Magalhaes' opinion, only a new development will again raise opposition to Sivam to the level that prevailed in December. He decided that he is not going to make the first move to do that.

Although a victory for the Raytheon contract is still uncertain, it is clear that no agreement has been reached to cancel it because of Cardoso's insistence on approval of the project. Cardoso contended that there has been no irregularity that would jeopardize the contract and thus demanded that his allies support it.

Yesterday, Magalhaes promised to seek a new opinion — although unofficial —from the TCU regarding the irregularities found in the Sivam case prior to the Senate vote. Senator Ramez Tebet (PMDB-MS) [Brazilian Democratic Movement Party-Mato Grosso do Sul], rapporteur of the project, said: "Even if the TCU continues to reject the project, the Senate may approve it." He added: "The TCU will not have the final word here."

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Senate Expected To Approve Sivam Project

PY1301005596 Sao Paulo AGENCIA ESTADO in Portuguese 2131 GMT 12 Jan 96

[By Christiane Samarco]

[FBIS Translated Text] Brasilia, 12 Jan (AE) — The Senate should endorse the foreign loan for the Amazon Region Surveillance System (Sivam). Today, even the most bitter critics of the project said that the government offensive — unleashed this week — produced a trend to approve the project. Senator Antonio Carlos Magalhaes (PFL-BA) [Liberal Front Party-Bahia], president of the commission that is looking into Sivam, told one of those who oppose the project that the Senate attitude toward the project changed after the recess. "Now the wind is favorable for the government," Magalhaes said.

The efforts to convince lawmakers began with a meeting with government leaders on 9 January, and ended two days later with a lunch at Alvorada Palace, which was attended by the leaders of all the parties forming the government support base in the Senate. Yet the strategy was not limited to collective conversations. In the tried and true style of the Minas Gerais PDS [Democratic Social Party] — the party that reached agreements behind the scenes before meetings — the president called Senator Jader Barbalho (PA) [Para], a PMDB [Brazilian Democratic Movement Party] leader, for a closed-door conversation before meeting with his allies. The negotiations also involved project rapporteur Senator Ramez Tebet (PMDB-MS) [Mato Grosso do Sul].

"The president is dealing with the subject as if it were a state affair, instead of a technical and moral problem, which Sivam actually is," says a critic of the project. One of the leaders attending the lunch hosted for the allies at Alvorada Palace said that Jader Barbalho behaved very "cordially" during the debate on Sivam. It was not by chance. To praise him, President Cardoso on three occasions noted that ESCA [Automation and Control Systems Engineering] was removed from the project thanks to the intervention of the PMDB leader.

"The Sivam storm occurred because all dissatifactions with the government were channeled to the super commission," said Elcio Alvares (ES) [Espirito Santo], the government leader in the Senate. In addition to the president's offensive, he pointed to a positive aspect of the Sivam project, which assistant Sivam rapporteur Geraldo Melo (PSDB-RN) [Brazilian Social Democracy Party-Rio Grande do Norte] raised for debate this week. Melo told everyone that the senators' role is to concentrate on the executive branch request on Sivam. The request asked the Senate to give the government all the conditions for performing the tasks that were previously performed by ESCA. Melo claimed that the Senate is not supposed to investigate alleged irregularities, but to permit the removal of the enterprise that was charged with committing them.

Sivam Hearing Ends in 'Turmoil' Over Suggestions of Bribery

PY1601172596 Sao Paulo AGENCIA ESTADO in Portuguese 1410 GMT 16 Jan 96

[FBIS Translated Text] Brasilia, 16 Jan (AE) — A hearing in the Senate special committee on Sivam [Amazon Region Surveillance System] ended in turmoil during the testimony of Brigadier Ivan Frota [former head of the Air Force Research and Development Department]. Senator Jefferson Peres (PSDB-AM) [Brazilian Social Democracy Party-Amazonas] demanded that Frota explain his remarks to the newspaper TRIBUNA DA IMPRENSA, in which Frota suggested that senators may have been bribed to approve Sivam. Provoking protests from the committee members, Frota said: "You are forcing me to draw on one of the few qualities I have; that is, my moral courage. I will not retract from anything I said there."

Senator Antonio Carlos Magalhaes (PFL-BA) [Liberal Front Party- Bahia], chairman of the committee, immediately suspended the hearing. Showing irritation, Sen. Magalhaes responded to Frota's provocation by reminding him of his political campaign for president of the Republic. He said: "If as a presidential candidate you bargained for votes, you are now trying to emerge as a civilian leader by using our committee." Magalhaes added: "Your presence before this committee is a farce. Either you retract what you said or you will no longer be allowed to carry on. You are not going to offend anyone here."

During Frota's tumultous departure from Congress, Senator Osmar Dias called him a jerk. While still in the corridors of Congress, Frota reaffirmed that the Sivam project is outrageous and criticized the conniving attitude of the Air Force officers. Amid disorder and protests, the Senate super committee has thus concluded the scheduled hearings on the Sivam case. The other two scheduled hearings were canceled because the invited witnesses are not in the country. The committee is scheduled to meet again this week in order to conclude its work by 7 February.

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Brigadier Frota Says Sivam Project 'Shame' for Nation

PY1601223996 Sao Paulo AGENCIA ESTADO in Portuguese 1959 GMT 16 Jan 96

[Report by Rosa Costa]

[FBIS Translated Text] Brasilia, 16 Jan (AE) — Lieutenant Brigadier Ivan Frota reiterated his criticisms of the Sivam [Amazon Region Surveillance System] project during an interview outside the hall being used by the Senate special committee to discuss the project. He insisted that the project's approval "will be a shame for the Brazilian nation." Frota added that "pressures and political convenience will have a dominant role in senators' decision." "The project's approval will create a number of difficulties for the country. These difficulties will derive from the suspicions of overbilling of equipment, influence peddling, and the refusal to organize a bidding before choosing the Raytheon company." Frota said the contract is not valid because it was signed without the previous approval of the appropriate financing, as is established by law, and could be contested in court. Frota admitted after the interruption of the session where he was scheduled to speak that he should not have generalized his accusations against senators.

[AE] Were you prevented from saying what you wanted?

[Frota] I wanted to say that when I made those remarks [suggesting the bribing of senators] I did not want to involve all senators. I was only referring to those who heard the singing of the sirens.

[AE] What is your opinion on Senator Antonio Carlos Magalhaes' reaction?

[Frota] I think there was an inappropriate interpretation of a commentary made during an interview. I am not irresponsible and I will confirm what I said. Perhaps he went overboard when he shouted at me.

[AE] Who heard "the singing of the sirens?"

[Frota] I do not have names. The executive branch has been able to have everything it wants approved because it could change legislators' votes. Regrettably, I cannot name them here, but the changing of positions is an indication that they received benefits. The entire nation knows that.

[AE] What do you think of this confrontation?

[Frota] Perhaps the interpretation of my words was intended to provoke what it provoked, that is, to prevent me from speaking and refute what the Aeronautics Ministry representatives said.

[AE] What are the main problems with the project?

[Frota] The project is not juridically valid because it was signed without the appropriate financing. There are other irregularities, such as the doubtful participation of ESCA [Automation and Control Systems Engineering]. I worked with ESCA and I think the company betrayed the Aeronautics Ministry in this case.

[AE] Do you think there was corruption in the negotiations of the Sivam project?

[Frota] I am not going to discuss whether there was corruption or not. I only find that there are many irregular aspects such as the lack of a bidding before choosing the U.S. company. The mistake made by the Aeronautics Ministry was to try to implement the Sivam project in a hasty way. When they wanted to take it back there was no way to do it and they had to go ahead.

Sen. Magalhaes Confirms Vote Against Sivam Project

PY1701001096 Sao Paulo AGENCIA ESTADO in Portuguese 2153 GMT 16 Jan 96

[FBIS Translated Text] Brasilia, 16 Jan (AE) — Antonio Carlos Magalhaes, (PFL-BA) [Liberal Front Party-Bahia] chairman of the Senate special commission investigating the Amazon Region Surveillance System (Sivam), today confirmed that he will vote for the rejection of the contract between the Aeronautics Ministry and the U.S. company Raytheon. The implementation of the project is estimated at $1.4 billion. "I cannot say that Sivam is dead, but the project will not have my vote to survive, Magalhaes said. According to the National Accounting Office (TCU), several irregularities affect the contract.

The senator heard in silence the pronouncement of colleagues on the request presented by Senator Eduardo Suplicy (PT-SP) [Workers Party-Sao Paulo], who asked the TCU to speed up a decision on the Sivam project that involves the Aeronautics Ministry and the companies Raytheon and Lider Taxi Aereo, which is the U.S. company's representative in Brazil.

PMDB [Brazilian Democratic Movement Party] leader Jader Barbalho (PA) [Para] and PFL leader Hugo Napoleao (PI) [Piaui] expressed their opposition to Suplicy's request. An adviser attached to the commission investigating the Sivam project informed Barbalho that Antonio Carlos Magalhaes had already taken the necessary steps to send the request to the TCU. But the TCU answer will hardly come out before senators vote on the draft resolution authorizing the government to contract a loan to finance the project.

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French Minister Galland Visits; Discusses Investments

Praises Government Reforms

PY0901021696 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 8 Jan 96

[FBIS Translated Text] Yves Galland, French minister delegate for finance and foreign trade, today attended a meeting of the French-Brazilian Economic Commission for Industry and Trade. The meeting, which was held at Itamaraty, was opened by Foreign Minister Luiz Felipe Lampreia.

Galland said that the reforms the Brazilian Government is carrying out give great credibility to the country, and that the opening of the Renault factory in Brazil — scheduled for this year — is symbolic proof of this credibility.

The state in which the factory will be opened will be announced by the French Government in February.

The Renault factory entails an investment of $1 billion until 1998.

Industry Minister Dorothea Werneck, who attended the meeting, referred to the importance of the Brazil-France partnership:

[Begin Werneck recording] The joint commission meeting opens major prospects, not only for investment but also for commerce, import and export trade. In addition to investment, the French are greatly interested in privatization, in investments in telecommunications and energy. The entrepreneurial delegation includes people from medium-sized and small enterprises. For creation of joint ventures, it is important that both sides express interest in the deal. [end recording].

Minister Galland will make an evaluation of the meeting at 1130 tomorrow at the French Embassy.

Holds News Conference

PY1001015796 Sao Paulo AGENCIA ESTADO in Portuguese 2058 GMT 9 Jan 96

[Report by Aldo Renato Soares]

[FBIS Translated Text] Brasilia, 9 Jan (AE) — Yves Galland, French minister delegate for finance and foreign trade, today estimated that the $2.8 billion investment made thus far in Brazil by French companies will increase by a factor of seven and should reach $20 billion in the next few years. During a news conference held at the French Embassy, Galland said: "French investments in Brazil are a priority for France."

Galland, who will visit Sao Paulo tomorrow to meet with local officials and enterpreneurs, has stated that France seeks to reverse the declining trend of French investments in Brazil. In 1987, French investments accounted for 17 percent of the overall foreign capital invested in Brazil. The French share of foreign capital dropped to 7 percent in 1990, and to only 2.31 percent in 1994. "We want a turnaround in this trend."

Itamaraty sources noted that the reduction in French investments was provoked by economic instability and by successive economic stabilization plans. Galland said: "I deeply admire President Fernando Henrique Cardoso's stabilization plan." The first step was taken today to reverse the declining trend in terms of investments by creating a strategic committee charged with analyzing the prospects of mutually beneficial deals. The committee, which will consist of French and Brazilian diplomats and enterpreneurs, will produce its first report by October, during the opening of the France 2000 exposition in Sao Paulo, with the participation of nearly 300 French companies.

Galland cited several deals that are under way and others that are being studied and that involve French investments in Brazil. In addition to the Renault auto company, which plans to invest $1 billion by 1998, the French state-owned company Electricite de France (EDF) is interested in participating in the privatization of Light [Power Services, Inc] of Rio de Janeiro, which is to be auctioned in March. Two French missions are scheduled to visit Brazil during the first half of 1996 to discuss investments in the space and telecommunications areas.

The most important space project encompasses the Matra-Hachette, Alcatel, and Thomson groups, which are leaders of the Class satellite project, which will serve customers such as Globosat, of the Globo organizations, Bradesco [Brazilian Discount Bank], and the Odebrecht, and Monteiro de Carvalho groups. Two French banks — the Banque Nationale de Paris (BNP) and the Societe Generale (SG) — are just waiting for the turbulence surrounding the banking sector to subside and for the Central Bank to announce its reformulation plans to become established in Brazil. Galland said: "The financial system is not quite open, but some changes should occur as soon as this situation is overcome."

The French insurance company AGF, which recently signed a contract with Petrobras [Brazilian Petroleum Corporation], will broaden its activities in Brazil. Galland said that the French company GEC-Alsthom is interested in building hydroelectric plants and in modernizing the Rio de Janeiro and Sao Paulo subway systems. French investments in the exploitation of satellite ser-

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vices, as well as in the franchising of public services, will depend on the respective laws of implementation.

The Lyonnaise du Eaux company, which signed a contract with the city government of Limeira (Sao Paulo) for the management of water and sanitation services in the city, is interested in expanding its businesses in Brazil. The Degremont company, which has signed two contracts for the decontamination of the Tiete River, is expected to invest in the construction and operation of water treatment plants. Coflexip, which manufactures tubes for maritime platform drilling in Vitoria (Espirito Santo), is expected to invest in new products for the area of oil prospecting.

Galland added that the Technip group, which operates in the area of chemicals, cement, and paper, plans to invest in the production of polypropylene (the raw material for plastic items), cement plants, and pulp production. Galland said that French Foreign Minister Herve de Charette and Transport Minister Bernard Pons will be visiting Brazil in the next few months. At the request of the Brazilian Government, the French Government will study ways of expediting the issuance of visas to Brazilian travelers. Galland said that the flow of French tourists to Brazil will increase. In his opinion, President Cardoso's visit to France in May "will further encourage" French investors.

Receives Offer for Renault in Rio

PY1101024796 Sao Paulo AGENCIA ESTADO in Portuguese 2219 GMT 10 Jan 96

[Report by Edson Chaves Filho]

[FBIS Translated Text] Rio de Janeiro, 10 Jan (AE) — Yves Galland, French minister delegate for finance and foreign trade, today said that Rio de Janeiro Governor Marcello Alencar and Eduardo Eugenio Gouvea Vieira, president of Firjan (Rio de Janeiro State Federation of Industries), had told him that they are willing to make "additional efforts to lure Renault into choosing Rio de Janeiro as the site of its new auto plant," which will require an investment of $1 billion. Tactfully, Galland said: "I could not share the optimism of the Rio de Janeiro officials because this is a highly technical matter." He noted, however, that he will highlight the Rio de Janeiro proposal to the Renault executives on 12 January in Paris.

Galland made it clear, however, that despite the fact that the French Government owns 51 percent of Renault's capital stocks, it will be incumbent upon minority private stockholders to choose the location of the car factory. He confirmed that a decision to this effect will be announced within a month.

Jose Pio Borges, vice president of the National Bank for Economic and Social Development (BNDES), has stated that following the elimination of the constitutional discrimination against foreign companies, it would be possible for the BNDES to finance Renault's investments. The BNDES may use up to 60 percent of the budgeted amount — which does not come from the Workers' Support Fund (FAT), and which amounts to 10 billion reals in 1996 — for loans to foreign companies. Borges said: "Renault started to hold some consultations, but no progress was made in the negotations."

Galland said France has great interest in the Brazilian privatization program, especially in in the power and transport areas, focusing on the subways. He said: "France has made great technological progress in these two areas." It will be necessary, however, to lay down clear rules about the rate policy that will be adopted following the privatization "so that the investors may have guarantees that their investments will be profitable."

Galland today attended a seminar on the Rio de Janeiro economy at the Firjan offices. After the seminar, he said he was "impressed." Among others, he heard lectures by Industry and Commerce Secretary Ronaldo Cezar Coelho; Jefrey Langland, director of the Bozano, Simonsen bank; BNDES Vice President Jose Borges; and Sylvio Coutinho, president of CSN (National Iron and Steel Company).

Discusses Business Prospects

PY1301025196 Sao Paulo GAZETA MERCANTIL in Portuguese 10 Jan 96 p A6

[Report by Maria Helena Tachinardi]

[FBIS Translated Excerpt] Brasilia — Jacques Desponts, director of the Banque Nationale de Paris (BNP), one of the largest French banks, yesterday told GAZETA that the BNP plans to open a branch in Brazil, possibly in Sao Paulo, during the first half of 1996, and that the BNP is negotiating with the Central Bank (BC) the purchase of a Brazilian regional bank.

The above information has been confirmed by Yves Galland, French minister delegate for finance and foreign trade, who also announced plans to invest in Brazil by two other French banks: the Societe Generale de France, which plans to expand its capital, and Paribas, which is interested in providing services in the area of privatization, including that of assessing the assets of the Rio Doce Valley Company, which is to be privatized by the Brazilian Government.

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Presiding over a delegation of French businessmen, Galland stated that Brazil is currently a priority for France. [passage omitted]

Galland conveyed surprise over the small number of Airbus planes operating in Brazil — only three, all of them used by VASP [Sao Paulo Airline] — despite the fact that there are four airlines in the country. This, according to Galland, is "atypical" because Airbus accounts for one-third of the world's market of commercial aircraft. He said he hopes that, when replacing its fleet, Varig [Rio Grande do Sul Airline] will acquire Airbus planes. According to government sources, operational costs to maintain Airbus planes are high. [passage omitted]

Galland and Dorothea Werneck, Brazilian industry, commerce, and tourism minister, yesterday closed the third meeting of the French-Brazilian Economic Commission, which created "the Strategic Committee for a New Partnership" between the two countries. The committee is chaired by Jose Botafogo Goncalves, who is in charge of Itamaraty's economic affairs, and Jean Pierre Landau, director for foreign economic relations at the French Foreign Ministry. [passage omitted]

Galland also announced three events to be held in Brazil during the first half of 1996: On 2-3 June, a symposium sponsored by the Agency for Technical, Industrial, and Commercial Cooperation (Actim), to disseminate new French technology; a French trade mission led by officials from the National Center for Space Studies (CNES) will visit Brazil in March to discuss telecommunications cooperation with Brazilian companies; and a delegation of the Paris Chamber of Commerce and Industry is scheduled to visit Brazil from 23 March to 7 April to sound out the possibilities of "joint ventures" with Brazilian small and medium-sized companies.

Galland also outlined the main topics of interest for French businessmen in Brazil:

Telecommunications: The Matra/Hachete group — in association with the Globo Television Network, Bradesco [Brazilian Discount Bank], Monteiro Aranha, and Odebrecht — is planning to invest $250 million in the first phase of the "Class" project for the construction and launching of three satellites to cover Latin America. Through this service, which is expected to start two years from now, viewers will be able to monitor at home television programs from all over the world with a 60-cm diameter antenna. All that is needed now is for the Brazilian Government to issue regulations to implement a law authorizing the private sector to operate satellites for television and telephone services. Thomson, which lost a contract to supply radars and telecommunications equipment for the Amazon Region Surveillance System (Sivam) project, is interested in participating in a tender to be opened by the Communications Ministry to supply equipment designed to control the electromagnetic spectrum. The company also wants to supply equipment for the automated operation of the Sao Paulo subway trains and flight simulators for Varig to train its pilots. [passage omitted]

British Chancellor, Business Delegation To Visit

PY0801153796 Rio de Janeiro O GLOBO in Portuguese 6 Jan 96 p 29

[FBIS Translated Text] Brasilia — President Fernando Henrique Cardoso will receive Kenneth Clarke, British chancellor of the exchequer, and 10 British businessmen at 1600 on 11 January at Planalto Palace. Clarke is heading a delegation of British investors on a tour of South America. The trip began on 28 December 1995 in Asuncion, Paraguay. From there, the group went to Buenos Aires, Argentina. Before coming to Sao Paulo they will first visit Santiago, Chile.

The visit to Brazil begins in Sao Paulo on 10 January with the British businessmen seeking information on the Brazilian economy. The following day the delegation will lunch with Finance Minister Pedro Malan at the British Embassy. After meeting Malan, Clarke will give a news conference.

During the audience with President Fernando Henrique Cardoso on that same day at 1600 at Planalto Palace, the British businessmen will announce investments in Brazil. On 12 December the group will visit Rio de Janeiro and on the following day, after establishing contacts in Rio, the group will return to London.

Meet With Sao Paulo Governor

PY1101024596 Sao Paulo AGENCIA ESTADO in Portuguese 2323 GMT 10 Jan 96

[FBIS Translated Text] Sao Paulo, 10 Jan (AE) — Sao Paulo Governor Mario Covas today met for nearly 90 minutes at Bandeirantes Palace with Kenneth Clarke, British chancellor of the Exchequer, who is leading a delegation of British investors. Sao Paulo state secretaries also attended the meeting and briefed the British delegation on what they are doing in their respective areas in terms of privatization and franchising of public services. The British delegation is interested in the status of the privatization process in Sao Paulo. The British Consulate press office has reported that British interests are primarily focused on the state-owned company Light and the Rio Doce Valley Company, but that they are open to other options.

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In a speech, Clarke stated that Great Britain is the second largest investor in Brazil and that, among the member countries of Mercosur [Common Market of the South], Brazil is the most attractive one. He described the British privatization process and its positive results. As an example, he cited the privatization of the telecommunications sector, which was instrumental in reducing telephone rates by 35 percent, thus enabling more people to have access to these services. He also said that British investments in Brazil will depend on the Brazilian Government making the market attractive by keeping inflation low and by keeping the economy open to opportunities for the private sector.

On 11 January, Clarke will arrive in Brasilia, where he is scheduled to meet with President Fernando Henrique Cardoso, Foreign Minister Luiz Felipe Lampreia, Finance Minister Pedro Malan, Administration Minister Bresser Pereira, and Planning Minister Jose Serra. On 12 January, Clarke is scheduled to leave for Rio de Janeiro, where he will meet with Luiz Carlos Mendonca de Barros, president of BNDES [National Bank for Economic and Social Development]; Joel Mendes Renno, president of Petrobras [Brazilian Petroleum Corporation]; Rio de Janeiro Governor Marcello Alencar; and Rio de Janeiro Mayor Cesar Maia.

Suriname Renegotiates Debt Prior to President's Visit

PY1001221696 Sao Paulo GAZETA MERCANTIL in Portuguese 9 Jan 96 p B5

[Article by Maria Helena Tachinardi]

[FBIS Translated Text] Brazil will receive $10 million this year — 50 percent of it during the first half of the year — if Suriname complies with the rescheduling of its debt with the Brazilian Government that will be signed on 10 January during the visit to Brasilia of Surinamese President Ronald Venetiaan.

The consolidated Surinamese debt with Brazil in December 1995, including principal, overdue payments, and interest amounted to $68.17 million. The overdue principal and interest total $26.9 million. The rescheduled debt which fall due between 1 January 1996 and August 2003, amounts to $33.6 million, while overdue interest will amount to $7.57 million.

Itamaraty Financial Division Chief Afonso Carbonar told GAZETA MERCANTIL that the Foreign Credits Evaluation Committee (Comite de Avaliacao de Creditos Externos — Comace) has suggested a realistic negotiation, an initiative supported by Suriname. This means the agreement that has just been reached should be fulfilled, contrary to what happened in 1992. Diplomatic sources have said that on that occasion the two countries signed a debt renegotiation paper, but Suriname did not sign the final agreement because the conditions were considered unrealistic. This time is different: The Surinamese Government asked for an agreement before the arrival of the Surinamese president, who intends to ask Brazil for new credits.

Suriname has extended its repayment term of its debt from 2003 to 2007. During the negotiations in Brasilia, however, the Surinamese delegation said that if the Venetiaan administration has a cash surplus it will pay what it owes to Brazil by 2003. The issue that has risen is whether Suriname, with whom Brazil has special relations due to its strategic location, can maintain a stable economy. Suriname managed to reduce its inflation rate from an annual 480 percent in 1993 to 50 percent in 1994.

Venetiaan, who was elected in 1991, will be received by President Fernando Henrique Cardoso with whom he will speak about bilateral relations, cooperation in the field of sustainable development, and about the economic and trade integration process with South America and the rest of the hemisphere. The Surinamese president will visit Belem do Para to learn about the Carajas Project. Presidential elections are scheduled to take place in Suriname this year.

Surinamese President Supports UN Security Council Bid

PY1001233596 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 10 Jan 96

[FBIS Translated Text] President Fernando Henrique Cardoso today met at Planalto Palace with Surinamese President Ronald R. Venetiaan. During their private meeting, the two presidents discussed international and bilateral issues. One topic of discussion was the sustainable development of the Amazon Region, which the two countries regard as a priority issue.

Venetiaan, who has endorsed Brazil's bid for a permanent seat at the UN Security Council, signed an agreement to reschedule Suriname's debt to Brazil.

Venetiaan is scheduled to hold his last official engagement tonight at Itamaraty Palace, when he will attend a dinner hosted by President Cardoso and his wife Ruth.

Tomorrow, Venetiaan will leave for Belem to visit the Carajas project.

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Suriname Reschedules Debt; Wants To Buy Weapons

PY1601113896 Sao Paulo GAZETA MERCANTIL in Portuguese 11 Jan 96 p B2

[By Maria Helena Tachinardi]

[FBIS Translated Text] In a move to normalize its relations with the Brazilian Government, Suriname signed an agreement on 10 January rescheduling a debt of $68.17 million it owes Brazil. Surinamese President Ronald Venetiaan said: "I came to see how we could improve and promote bilateral relations. We have an unpaid debt and we want to pay it off." He added that Suriname successfully restructured its economy "without resorting to the IMF" and will therefore not immediately ask Brazil for new credits. Telesur, Suriname's telecommunications enterprise, hopes to buy new Ericsson equipment with Brazilian credits according to Telesur Director L. C. Johanns. Last November, the enterprise rescheduled a $20 million debt it owes Brazil. The agreement has yet to be ratified by the federal Senate. The enterprise hopes that, once the agreement is ratified, it will obtain new Brazilian credits for the third phase of its program to expand its telephone centrals.

Venetiaan met with President Fernando Henrique Cardoso on 10 January, to whom he announced Suriname's support for Brazil's bid for a permanent seat at the UN Security Council. The Surinamese president said he obtained Brazilian technical cooperation for several hydroelectric power plants in the Kabalebo project, which has been under study for 30 years and which is now a priority.

Venetiaan emphasized that Brazilian entrepreneurs should no longer be concerned about investing in his country, "because we have a sound economy, with a healthy financial environment." He urged investors to support sustainable development of the Amazon forest.

In a joint communique, Cardoso said he will ask Mercosur [Common Market of the South] to start negotiations on commercial liberalization with Suriname, which is a Caribbean Community member and of the Caribbean Country Association.

The Surinamese Government, whose major challenge — according to Venetiaan —is to consolidate democracy, wants to buy Brazilian weapons, even though its military regime ended in 1988. Brazil has been a traditional supplier of military equipment to Suriname, a neighboring country that is strategically important because of its location in the middle of the Amazon forest, next to Para State.

The joint communique adds that the two presidents agreed to sign, in the short term, an addendum to the Cooperation and Friendship Treaty to promote cooperation in the military area. It states: "This addendum will promote cooperation between the Armed Forces of the two countries."

Venetiaan said Suriname wants to participate in the Amazon Region Surveillance System (Sivam) project and to receive information on entrepreneurial activities in the Amazon forest and to control illegal activities like drug trafficking.

The agreement signed with Suriname considers three parts of the debt: the interest that fell due prior to 31 December 1995 ($7.57 million), the principal ($26.99 million), and the principal and interest that should be paid between 1 January 1996 and 31 August 2003 ($33.6 million). Suriname may pay in Brazilian foreign debt certificates.

Ministers Note Cardoso's New Style of Governing

PY1101180396 Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Jan 96 p 3

[Article by Ilimar Franco]

[FBIS Translated Excerpt] Brasilia — Planning Minister Jose Serra and Health Minister Adib Jatene yesterday realized the new style with which President Fernando Henrique Cardoso wants to mark the second year of his administration. After spending the first year of his administration at the center of political storms, President Cardoso asked each minister to be responsible for his area and to negotiate his projects with Congress.

After listening to the party leaders' complaints on account of the minister's lack of attention to Congress, Cardoso ordered Serra to give PMDB [Brazilian Social Democracy Party] leader Senator Jader Barbalho (Para), rapporteur of the bill on the Fiscal Stabilization Fund (FEF), all the information he needs on the subject. The offensive also includes the resumption of negotiations on the main constitutional reforms and a petition to again place tax reform on the Congress agenda.

Minister Adib Jatene also received orders, so yesterday afternoon he met with PMDB leader Michel Temer (Sao Paulo), PFL [Liberal Front Party] leader Inocencio Oliveira (Pernambuco), and PPB [Brazilian Progressive Party] leader Odelmo Leao (Minas Gerais), to defend the approval of the Contribution on Financial Movements (Contribuicao sobre a Movimentacao Fianceira— CMF) to finance the public health sector. The FEF and the CMF are on the agenda of the special congress sessions. [passage omitted]

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Cardoso Signs Decree on Indigenous People Areas

PY1101230896 Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Jan 96 p 4

[Report by Eliana Lucena]

[FBIS Translated Text] Brasilia — More than half the Brazilian indigenous people areas — 307 of the existing 554 — may be subject to revision under the terms of a decree signed by President Fernando Henrique Cardoso which will be published in the official gazette today. Despite pressure from organizations linked to indigenous people — and even international organizations — the government decided to repeal Decree 22, signed in 1991 by then President Fernando Collor, which permitted the recognition and demarcation of indigenous people areas by the National Indian Foundation (Funai).

Among the areas that may be reconsidered — areas that were neither approved nor registered — are the Raposa/Serra do Sol, in Roraima, where there are conflicts between ranchers and Macuxi and Tauarepang Indians, and the Caiapo Bau area of Para, about which the state government has also raised objections.

Presidential Spokesman Sergio Amaral said on 8 January that as of the publication of the decree, state and municipal governments and other parties will have 90 days to raise their objections about indigenous people areas, demanding compensation payment or pointing out irregularities in the process conducted by Funai. Amaral added that the military sector supports the decree, and that it was not released on 5 January because the government wanted to previously approve a set of areas registered on the basis of Decree 22.

Funai has said the number of areas subject to revision may be smaller, because the government will not reconsider the status of some areas which have not been approved but which are well known to be indigenous. Among them is Guarani-Caiua in Paranambizinho, Mato Grosso — which Justice Minister Nelson Jobim visited last week — and all the areas that have been closed, or that have already been established, where isolated indigenous people still live, like in Guapore, Rondonia.

The Native Missionary Council (Cimi) on 8 January reacted to the new decree, claiming that the government yielded to pressure from politicians and land invaders. The modification of Decree 22 was unanimously rejected by Brazilian indigenous people organizations, which have already conveyed their position to Funai, to the Justice Minister, and to President Cardoso. Cimi claims that "Indigenous people took 500 years to get half of their land demarcated and now, with a single signature, everything may be destroyed." According to the council — which is linked with the CNBB [National Conference of Brazilian Bishops] — Funai has no infrastructure for revising the demarcation of indigenous areas because, under the terms of the decree, the work must be concluded in three months.

Among the main indigenous people areas about which objections have been raised by state governments, politicians, and military officers are Cricati in Maranhao, Bau in Para, and Maraiuapsede in Mato Grosso. The demarcation of this last area is an old claim of the Xavantes, who were transferred to another indigenous area. The Suia-Missu ranch, which belonged to the Vatican and which is now owned by an Italian group, has returned to its old habitat.

In the Raposa/Serra do Sul area along the Roraima border with French Guiana, indigenous people and ranchers have several times engaged in conflicts. The state government does not agree to the demarcation of the area, claiming that many non-indigenous families have lived in the area since the beginning of the century.

The decree signed by the president sets forth that as of now, non-indigenous families removed from indigenous areas will have priority in land reform settlements.

Roundup of Economic Reports Through 5 Jan

PY0501213896

[FBIS Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 5 January.

FINANCIAL OPERATIONS

Exchange Operation Surplus — In 1995, Brazil registered a currency exchange operation surplus of $13.609 billion. This figure is smaller than the $16.49 billion surplus registered in 1994. Based on commercial and financial operations, exports in 1995 reached $53.127 billion, while imports reached $41.548 billion, resulting in a currency surplus of $11.579 billion. In the financial investment account, incoming capital amounted to $49.756 billion, while outgoing remittances stood at $47.726 billion, resulting in a $2.030 billion surplus. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Dec 95 P B1)

Nonresidents' Accounts — The financial operations made through the CC5 accounts, which are owned by nonresidents in Brazil, registered a deficit in December. According to a private bank consulted by AGENCIA ESTADO, net remittances abroad in 1995 stood at $959 million. These operations are not registered in the balance released by the Central Bank. (Sao Paulo AGENCIA ESTADO in Portuguese 1402 GMT 29 Dec 95)

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Capital Inflow — In December 1995, large national and foreign banks sold bonds worth approximately $615 million on the international market. The bonds, which were sold on the Luxembourg stock exchange will pay profits ranging from 8 to 10 percent. According to Central Bank figures, Brazilian bonds sold abroad between January and November 1995 reached $8.617 billion, compared to $4.867 billion in the same period in 1994. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jan 96 p B1)

Exchange Rate Band Modified — The Central Bank on 27 December devalued the real by 0.41 percent, modifying the dollar exchange rate band to 0.970 reals, buying rate, and 0.975 reals, selling rate. Since June 1995, the dollar exchange rate has increased by 5.75 percent. (Rio de Janeiro O GLOBO in Portuguese 28 Dec 95 p 31)

Multinational Company Profits — In 1994, average sales by U.S. companies in Brazil, in dollars, grew by 43 percent with respect to sales in 1993, while German company sales in 1994 grew by 59.2 percent compared to 1993. In 1994, average sales by U.S. and German companies grew by 14.7 percent and 8.8 percent, respectively, compared to 1993. In 1995, sales by the Brazilian subsidiaries of multinational companies are expected to grow, compared to 1994, by at least 20 percent. (Rio de Janeiro O GLOBO in Portuguese 28 Dec 95 p 29)

Cost of Capital — According to a report by the National Association of Investment and Development Banks, in order to obtain funds abroad, in 1995 Brazil paid an average rate of 3.75 percent above the profits paid on the U.S. Government long-term bonds in 1995. Mexico, Argentina, and Korea paid, respectively, 3.46, 3.63, and 0.65 percent, above the profits paid on U.S. bonds. The study was made for the January-November period, in which which Brazil sold bonds worth $8.94 billion. In December, the issuance of bonds will surpass $10 billion, practically 100 percent higher than in 1994, when bond issuance reached $5.37 billion. (Sao Paulo AGENCIA ESTADO in Portuguese 1824 GMT 4 Jan 96)

Development Bank Joins Mining Undertaking — The National Bank for Economic and Social Development has decided to join the $1.5 billion Solobo copper and gold development project. The project will produce 200,000 tonnes of refined copper and 8 tonnes of gold per year, in addition to silver and molybdenum. The project will be implemented at the Carajas mountain range, in southern Para, by the Doce River Valley Company and the Morro Velho mining company. The Solobo mine deposit is believed to have 1.9 billion tonnes of copper ore, from which it will be possible to produce 6.6 million tonnes of copper over a 33-year period. (Sao Paulo GAZETA MERCANTIL in Portuguese 3 Jan 96 p C-3)

Record Number of Bankruptcies — In 1995 there were 10,159 bankruptcies and 409 compositions of credits. These are record figures since the Sao Paulo Commercial Association began to keep its records in 1960. With respect to 1994, the number of bankruptcies grew by 139 percent, and the number of compositions of credits by 24.8 percent. There were 1,329 bankruptcies and 15 compositions of creditors in December 1995, as compared to 384 and 41, respectively, in December 1994. (Sao Paulo O ESTADO DE SAO PAULO 3 Jan 96 p B1)

FISCAL, MONETARY ISSUES

Central Bank Deficit — The Central Bank registered a deficit of 2.6 billion reals in the first half of 1995. This deficit has been attributed to the monetary and exchange rate policy, the high interest rates, and the acquisition of large amounts of currency reserves. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Dec 95 p B3)

Reserve Profits — Finance Minister Pedro Malan on 28 December reported that a substantial part of Brazilian reserves have been invested in the international market. Financial agents estimate that Brazilian reserves will yield a $2 billion profit this year. (Rio de Janeiro O GLOBO in Portuguese 29 Dec 95 p 20)

Rio de Janeiro Bank Deficit — According to Price Waterhouse auditors, the balance sheet of the Rio de Janeiro state bank for the first half of 1995 did not register a deficit of at least 895 million reals. If this deficit had been registered, the bank's total deficit would have surpassed 2.2 billion reals. In the first half of 1995, the bank deficit was 22 percent higher than the deficit registered throughout 1994. (Rio de Janeiro O GLOBO in Portuguese 28 Dec 95 p 31)

PRIVATIZATION

Estimates for 1996 — Luiz Carlos Mendonca de Barros, president of the National Bank for Social and Economic Development, has said that in 1996, the government should collect $10 to $11 billion in cash through the National Privatization Program. The program's main objectives for 1996 are the transfer of electric power companies, of the Doce River Valley Company, and the beginning of the transfer process of the Federal Railroad Network. Mendonca de Barros believes that Power Services, Inc. will be sold for $3.6 to $3.7 billion, and the Doce River Valley Company for $10 to $12

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billion. (Sao Paulo AGENCIA ESTADO in Portuguese 2136 GMT 4 Jan 96)

TRADE ISSUES

Entrepreneurial Office in Beijing — The Federation of Industries of the State of Minas Gerais will open an office in 1996 in Beijing. It will be the first office that a Brazilian entrepreneurial organization will open abroad. The main areas of the Minas Gerais economy in which Chinese entrepreneurs are interested are iron and steel, dairy products, and coffee. (Sao Paulo GAZETA MERCANTIL in Portuguese 28 Dec 95 p A4)

Bahia Trade Surpasses $3 Billion — Exports and imports of the state of Bahia are expected to reach $3.2 billion in 1995. This record figure is 29 percent higher than the figure for 1994. State exports are expected to reach $2 billion, an amount 16 percent higher than in 1994. As for imports in 1995, they are expected to reach $1.2 billion, which is 60 percent higher than in 1994. The state's balance of trade will reach $800,000 in 1995. Petrochemical products are Bahia's main exports, followed by copper cathodes, paper and cellulose, and gold. (Sao Paulo GAZETA MERCANTIL in Portuguese 28 Dec 95 p A4)

Shoe Exports Drop — Between January and October 1995, the number of exported pairs of shoes dropped by 20 percent — from 147.7 million to 117.7 million — with respect to the same period in 1994. In the same period of 1995, shoe exports amounted to $1.2 billion, compared to $1.3 billion in the same period of 1994. The figures were released by the Brazilian Shoe Industry Association. (Sao Paulo GAZETA MERCANTIL in Portuguese 28 Dec 95 p A4)

Exports to Mercosur — Brazilian sales to Mercosur countries in 1995 accounted for 15 percent of total Brazilian exports in that year, compared to 13 percent in 1994. Argentina is Brazil's main partner within Mercosur. In 1995, Brazilian trade with Argentina reached $10 billion. Argentina is Brazil's second major partner, after the United States. Brazilian-Argentine trade accounts for 80 percent of trade within Mercosur. (Buenos Aires TELAM in Spanish 2100 GMT 2 Jan 96)

Sugar Exports — The 100 largest Brazilian sugar mills exported 4.43 million tonnes of sugar during the 1994/95 season. Of this total, 43.37 percent was exported by 10 mills, seven in Sao Paulo, two in Alagoas, and one in Santa Catarina. Copersucar, the main producer, accounts for 22.18 percent of total sugar exports, followed by Bonfim, which accounts for 3.51 percent of total sugar exports. (Sao Paulo AGENCIA ESTADO in Portuguese 1815 GMT 3 Jan 96)

Exports Grow in 1995 — Brazilian exports reached $46.506 billion in 1995, a figure that is 6.8 percent higher than the figure for 1994: $43.545 billion. Exports in December stood at $3.875 billion, compared to $4.048 billion in November. In 1994, Brazil exported raw materials worth $11.058 billion, compared to $10.969 billion in 1995. In 1994, the U.S. market accounted for 20.2 percent of Brazilian exports, compared to 18.6 percent in 1995. (Sao Paulo AGENCIA ESTADO in Portuguese 2051 GMT 4 Jan 96)

Colombia

CIA Director Promises More Aid To Fight Drug Traffickers

PA1601161396 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 16 Jan 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] The U.S. Government will increase support to those Colombian security forces fighting drug trafficking gangs, CIA Director John Deutch has said following his official 24-hour visit to the country. (?He visited Cali), met President Ernesto Samper Pizano, and was briefed on elite military and police force operations. The CIA director recognized Colombia's efforts to fight drug traffickers and promised increased U.S. support, assistance, and cooperation to help destroy the drug cartels. John Sheridan, deputy assistant secretary for defense, accompanied Deutch to Cali under heavy security. Deutch later dined with President Ernesto Samper, military and police commanders, Interior Minister Horacio Serpa, Justice Minister Carlos Medellin, and Foreign Minister Rodrigo Pardo at Narino Palace. Pardo confirmed that Deutch reviewed bilateral agreements on the fight against drug traffickers without addressing the topic of extradition, which [words indistinct] to escape of [Cali Cartel leader] Jose Santacruz Londono.

Defense Minister on Topics Discussed With CIA Director

PA1701041296 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0230 GMT 17 Jan 96

[Report by Clara Elvira Ospina; from the "QAP" newscast — passages within quotation marks recorded]

[FBIS Translated Text] Defense Minister Juan Carlos Esguerra today revealed some of the topics he discussed with CIA Director John Deutch, who visited Santa Fe de Bogota yesterday. The CIA director, State Department officials, and U.S. military officers who came to

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Colombia this week had no intention of demanding results or offering more aid — but they did.

[Esguerra] "It would be easy to say: He came to offer aid. However, we talked about the issue — the aid we could receive. He did not come to demand results, either, but we also analyzed the results achieved in 1995. We reviewed everything that happened."

The defense minister revealed today some of the topics that were discussed. They talked about extradition and, obviously, the government said the issue was not on the agenda. In addition, the executive branch reminded the U.S. agents that it expects a radar will soon be installed in Vichada. They also coordinated further aid to recapture Jose Santacruz.

[Esguerra] "Yes, the issue of Jose Santacruz and Pacho [Helmer Herrera] was discussed, as well as all the other cases in which a series of more or less important arrests are necessary."

What they did not discuss was an increase in the number of CIA agents in Colombia.

[Esguerra] "Absolutely not."

In the end, the government failed to learn what the special U.S. envoys think.

Foreign Minister Discusses CIA Director's Visit

PA1601161596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 16 Jan 96

[Report by Gilberto Alvarado, at Narino Palace; from the "RCN Radio Events" newscast]

[FBIS Translated Text] Interior Minister Horacio Serpa has issued a strong warning: Security forces are prepared to stop anyone who tries to take justice into his own hands. Serpa issued the warning through the press after learning that the self-styled Avengers group had threatened Cali Cartel leader Jose Santacruz Londono and those who allegedly helped in his escape:

[Begin Serpa recording] The Colombian authorities are the only ones tasked with meting out justice. [Words indistinct] must know that the Attorney General's Office is conducting a very rigorous and thorough criminal investigation and will soon issue its findings. The administration is also conducting a very thorough investigation. Rest assured that Colombian authorities are also working to recapture the man who escaped from La Picota Prison. [end recording]

Serpa also mentioned the decree on stiffer penalties for those who help a prisoner escape, which was issued recently as a deterrent.

Foreign Minister Rodrigo Pardo Garcia-Pena talked about CIA Director John Deutch's visit:

[Begin recording] [Pardo] He was here to continue the talks he started with Defense Minister Juan Carlos Esguerra [words indistinct] during his visit last October. Minister Esguerra (?invited him to visit Colombia) at that time.

[Alvarado] [Words indistinct]

[Pardo] It is important in that it helps to strengthen cooperation among those fighting drug trafficking [words indistinct] with the U.S. Department of Defense to yield better results. [end recording] Colombian authorities had no comment on the U.S. delegation's activities [words indistinct] the meeting with President Ernesto Samper Pizano.

Samper: Santacruz To Be Recaptured 'At Any Cost'

PA1701020696 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 17 Jan 96

[From the "Seven O'Clock" newscast]

[FBIS Translated Text] President Ernesto Samper said on 16 January that Jose Santacruz Londono will be recaptured at any cost:

[Begin Samper recording] First, to recapture the fugitive at any cost. Second, to continue reinforcing security at our prisons, and finally, to complete the investigations that are being conducted on this incident, mainly by the Attorney General's Office and by the prosecutor's office and administrative bodies. The heads that must roll will roll. [end recording]

Samper: Heads To Roll Over Cartel Leader's Escape

PA1601202196 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 16 Jan 96

[Report from Nubia Vallen, at Narino Palace; from the "Colombia 12:30" newscast]

[FBIS Translated Text] Colonel Marco Antonio Moreno Ramirez is being sworn in at Narino Palace at this hour as director of Inpec, the National Penitentiary and Prison Institute. President Ernesto Samper Pizano said that the government is outraged but not befuddled over the escape of [Cali Cartel leader] Jose Santacruz Londono:

[Begin Samper recording] The government recognizes that the measures that were taken failed. The capacity for corruption proved stronger, as it proves in jails

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around the world. All Colombians are outraged but not befuddled over this. We know what we must do and will do it. The heads that must roll will roll. Col. Moreno, you have the full support of the president and the government team. [end recording]

Escaped Cartel Leader Possibly Hiding in Venezuela

PA1601194396 Mexico City NOTIMEX in Spanish 1715 GMT 16 Jan 96

[FBIS Translated Text] Santa Fe de Bogota, 16 Jan (NOTIMEX) — Local media reported today that Colombian drug trafficker Jose Santacruz Londono may be hiding in Venezuela, following his escape from La Picota maximum security prison. The 52-year-old mafioso has sent a communique to the Caracol radio network. The communique is dated Caracas and has what appears to be his fingerprint; signature; and cedula number 14-433-230, issued in Cali. He insists in the communique that neither the jail guards nor his cellmates helped him escape. He adds that he was not questioned in jail about some of the murders of which he is being accused, including that of former Antioquia Department Governor Antonio Roldan. Security forces are currenty trying to establish the communique's authenticity. Santacruz Londono has also written Prosecutor General Alfonso Valdivieso on the reasons for his escape. Santacruz Londono, accused of having sent large amounts of cocaine to the United States and Europe, left La Picota prison aboard a vehicle similar to the one that employees of the Prosecutor General's Office who are investigating him use. Government officials believe that prison officials helped in his escape. Santacruz Londono says in his message that during his six months in jail, he was not questioned on drug trafficking charges but only on allegations of illegal enrichment. Santacruz Londono harshly criticized his country's judicial system, saying that he is in poor health, that he never received any medical attention in jail, and that he was not going to wait to die in prison.

Police Chief Discusses Escaped Cartel Leader's Letter

PA1601201196 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 16 Jan 96

[Interview with National Police Chief General Rosso Jose Serrano by correspondent Janeth Cepeda on 16 January; place not given; from the "Colombia 12:30" newscast — recorded]

[FBIS Translated Text] National Police Chief General Rosso Jose Serrano reports that good progress is being made in Cali in efforts to recapture Jose Santacruz Londono:

[Serrano] We are working on that. As the president said, we must do it no matter what. We ask for the Colombian people's help. I am very happy with all of the support and the many calls that we have received. We are on the right track.

[Cepeda] How about the letter Santacruz sent from Venezuela?

[Serrano] I have no comment. People like Pacho Herrera are always sending letters, but their authenticity...[pauses] I have my doubts. I cannot comment on that until all of the test results come back.

[Cepeda] Do you mean authenticity in terms of confirming where the letter came from or authenticity of the letter itself?

[Serrano] The authenticity of the letter itself and from where it came.

[Cepeda] Jose Santacruz Londono will be recaptured dead or alive and at any cost?

[Serrano] No. I would not put it that way. We must recapture him.

[Cepeda] That is what the president said, general. He said he will be recaptured at any cost.

Cartel Leader's Escape Prompts Changes in Prison System

PA1601213896 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 16 Jan 96

[From the "Colombia 12:30" newscast]

[FBIS Translated Text] The government has taken special measures with regard to the prison and penitentiary system following Jose Santacruz Londono's escape:

— breaking out of jail carries a sentence of 12 years, up from six years;

— those caught trying to escape will not be entitled to reduced prison terms, probation, or any other such benefits;

— any inmate, guard, or official who helps in an escape will be sentenced to between 10 and 20 years in prison;

— anyone assigned to prison surveillance who helps in an escape will receive from four to eight years;

— those who supply a prison with weapons, explosives, ammunition, or communications equipment will receive five to 10 years.

National Penitentiary and Prison Institute officials will be in charge of security inside the jails, with the

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army, police, and state security organizations taking responsibility for security outside the jails. There will be a reward for anyone assigned to prison surveillance who provides accurate information on those who participate in breakouts or in criminal activity.

Explosion Injures Marines in Capital; Guerrillas Blamed

PA1701020796 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 17 Jan 96

[From the "Seven O'Clock" newscast]

[FBIS Translated Text] An explosive device exploded on the morning of 16 January in Santa Fe de Bogota along the path of a military convoy.

The vehicle's driver and four marines were injured. The armed forces of the capital were placed on maximum alert.

The explosive was planted under a bridge. The police and the military authorities are trying to capture the authors of this attack, which was initially attributed to the guerrillas.

Uruguay

UN Requests Police Officers for Task Force in Bosnia

PY1001233796 Montevideo EL OBSERVADOR in Spanish 4 Jan 96 p 3

[FBIS Translated Excerpt] UN Secretary General Butrus Butrus-Ghali has formally asked the Uruguayan Government for police officers to join a UN task force [preceding two words in English] that will operate in cities in Bosnia-Herzegovina. The request was confirmed on 3 January in New York by EL OBSERVADOR through sources close to the secretary general.

The United Nations International Police Task Force [organization's name given in English] contingent plans to immediately install a force of some 2,000 men in the devastated cities of Sarajevo, Banja Luka, Tuzla, and Mostar in order to reinforce the diminished civilian guards and help them carry out their police functions, the sources stated. [passage omitted]

The sources added that the first Uruguayan policemen to become part of the international scenario were graduates of the National Police School. [passage omitted]

"They are acting very efficiently in the Angolan cities that are close to Luanda, the capital, and their task is that of helping the mixed civilian guards, which is very different from the task that is carried out by the men attached to military battalions," the sources explained. [passage omitted]

Government Protests Argentine Change in TV Frequency

PY1101153096 Buenos Aires TELAM in Spanish 2039 GMT 10 Jan 96

[Report by unidentified correspondent]

[FBIS Translated Text] Montevideo, 10 Jan (TELAM) — Uruguay today asked the Argentine Government to reconsider its decision of changing the Channel 4 frequency assigned to Argentina Televisora Color (ATC), pointing out that it does not conform to current international standards.

In a communique, the Uruguayan Foreign Ministry points out: "We hereby express the Uruguayan Government's serious concern over the consequences that the aforementioned decree will have on the broadcasts of the television channels with assigned frequencies that are operating in Uruguay." The communique emphasizes: "This action does not conform to current international standards."

Argentine Foreign Ministry sources today confirmed that a Uruguayan Government solicitation has been received. However, the sources believe it is a "formal" solicitation. The sources pointed out that this solicitation would be sent to the appropriate organizations, namely the Federal Committee for Broadcasting (Comfer) and the Communications Secretariat.

Through a decree, President Carlos Menem ordered the change of frequency and the transfer of the Official Broadcasting Service (SOR) of ATC SA Channel 7 to ATC SA LS 82 TV Channel 4. In the preamble, the decree states: "ATC SA must modify or replace the transmitting and antenna equipment so that it can transmit on the new frequency that has been assigned to it."

For his part, Uruguayan Defense Minister Raul Iturria has told TELAM/SNI that this issue "would be solved through talks" between the two governments. The Uruguayan defense minister emphasized: "There is no offense or conflict, but a disagreement."

In the communique, which was delivered to Luis Garcia Tezanos, the charge d'affaires of the Argentine Embassy in Uruguay, the Uruguayan Government is asking President Carlos Menem "to abrogate" Decree No. 1022.

Uruguayan diplomatic sources have said this decree violates a telecommunications agreement signed by the four Mercosur [Common Market of the South]

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countries. The sources also believe the decree violates Resolution No. 6/95 of the Latin American Integration Association (ALADI), establishing the procedures for approving a television frequency.

Cubana de Aviacion Begins Havana-Montevideo Flights

PY1101020296 Madrid EFE in Spanish 2317 GMT 10 Jan 96

[FBIS Translated Text] Montevideo, 10 Jan (EFE) — The Cubana de Aviacion Company will inaugurate its first direct flight between Montevideo and Havana on 11 January, and its passengers will be tourists, tourism operators, and representatives of the Civilian Aviation of Uruguay.

In principle, only a total of six weekly charter flights have been programmed between the two capital cities during the months of January and February, but the intention is to regularize the flights in the near future.

As of March 1996, the flight to Havana will make a brief technical stopover in Sao Paulo (Brazil).

Up to the present, Uruguayans who wanted to travel to Cuba had to take Cubana de Aviacion's flights from Buenos Aires or Santiago, Chile.

Sanguinetti Delivers End-of-Year Message

PY0901134696 Montevideo LA MANANA in Spanish 30 Dec 95 p 2

["Text" of President Julio Maria Sanguinetti's end-of-year speech; place and date not given]

[FBIS Translated Text] A new year is about to begin. The hours we are now living constitute an invitation to reflection and stock-taking either privately or together with our family. Similarly, I would like to invite you to ponder some minutes on some matters of great import for us Uruguayans.

Let us together do the exercise of looking at things afar off as when one keeps one's distance and so one can see things in perspective. The year that is about to end was full of achievements despite the fact that we were confronted with serious economic problems bedeviling our region in particular.

With everybody's help and participation, with a coalition government as has never been seen in this country, we have been able to initiate great transformations and to prepare the ground for effecting the long sought-for changes which had eluded Uruguay for decades — like laying the foundations of a house, which many a time cannot be seen from the surface, but which constitutes the cornerstone on which the rest of the house will be built.

We lay the foundations of a major education reform, which is to have far-reaching effects in the history of our country. I could mention specific figures and measures. Nevertheless, I think it is more important to dwell on the idea that informs the entire education reform — simply that Uruguayans continue to be the most highly educated people in all our region well into next century. Uruguay is neither a large country nor an immensely rich one, but it has always stood out from other countries on account of its people. Now, this reform is geared to preserving this status in the 21st century, when competitiveness will be one of the main challenges facing all Uruguayans without exception.

The education reform is in the hands of a group of experts selected disregarding power quotas simply because they are the best technical experts in Uruguay. We have allocated the greatest amount of money the state could have at its disposal. Without counting the funds appropriated for social security, the education budget for this five-year period represents over 27 percent of the general budget.

The new pension scheme can be cited among the major transformations we are undertaking. With the concurrence of most of Uruguay's political parties, in 1995, we established a new social security system which lightens a heavy burden off the shoulders of all Uruguayans and builds up youngsters' hopes. The adoption of the new system enabled us to put an end to a system which can no longer be financed and which — according to all technical studies without exception — was teetering on the brink of bankruptcy.

In this year that is about to begin, Uruguayan workers will be able to deposit part of their pension savings in a personal account. All special pensions have been definitely abolished. Pension ceilings have been eliminated. We are thus overcoming a problem which has been dragging on for decades with fairness, equitability, and solidarity. Never until now, has it been possible to reach consensus on essential solutions to this problem, namely protection for all pensioners and veritable hope for the young.

Another noteworthy point is the Citizens Safety Act. The media report every day about judges who are prosecuting criminals on housebreaking and assault charges — heinous crimes because the criminal breaks into a home and puts the lives of the whole family at risk. There have also been successful prosecutions of middlemen who receive and dispose of stolen goods, thus preventing them from continuing feeding the crime cycle. There is still a lot to be done in this respect, but

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great strides have been made thus far. This is going to be complemented with the enactment — surely next year — of a new code of criminal procedure.

In order to pump prime productive activities, the 1996 budget earmarks unprecedented sums for investments, which are not going to be made in a year's time or in a month's time. They are going to be made 1 January, when $1.3 billion will be appropriated for housing, 80 million [currency not specified] for a reforestation program, among other investments in public works and other areas, which are going to begin presently, without delay.

The competitiveness of Uruguayan industry on regional and international markets was enhanced through the reduction in employers' contributions and tax measures to cut costs. Over the last few months, we have eliminated inflation in dollars, a most negative phenomenon called exchange lag, which month after month increasingly impaired the possibility of placing our production and the fruit of our labor on foreign markets.

A new and better fiscal system for the agricultural sector was also set into motion as we consider that agriculture constitutes one of the unquestionable pillars of Uruguay's development. This sector was particularly dynamic — all-time record numbers of acres of pasture were sown while the soil was enriched. Hit by the effects of an increasingly open economy, farms now have at their disposal an important line of credit of $30 million to retool their productive infrastructure. Magnificent examples of this can be seen in our exports of wine and vegetables to Buenos Aires and Porto Alegre, and our exports of fruit to various destinations.

In 1995, agricultural exports increased by more than 12 percent compared with the previous year.

Incentives to investors interested in tourism were significantly increased by decree. This is already bearing fruit in the construction of hotels and networks of roads.

In the 1996 budget, social sectors absorb 45 percent of the total sums appropriated for investment.

In 1995, more than half of all beneficiaries saw their family allowances double.

On the foreign policy front, we have consolidated our relations with our Mercosur [Common Market of the South] partners and we ended the year establishing the basis for a historic agreement with the EU, which has enabled us to embark upon the path to establish in the future a common market comprising 570 million inhabitants. In addition, Uruguay has consolidated its position in the international arena by promoting serious and independent actions.

The most important consideration, the central thing is that this transformation, all these changes have been and are being effected in a climate of peace, without distressing or unpleasant situations, without confrontations. Yet we are making those changes.

I am quite clear about the fact that this year's achievements — including the lowest inflation rate in several decades — is not the victory of a man confined in Government House all day. It is first and foremost, the work of Uruguayans; of those who pay their taxes; of those who enter into partnerships to undertake new projects. Politically speaking, it is the result of an effort to reach a consensus between all parties. We could always count on the support of the National Party and many a time that of the New Sector Coalition and even the endorsement of the Broad Front. It was thanks to that we managed to hammer out an agreement among all political parties at the end of the year in order to undertake a political reform by amending the Constitution. The Broad Front has not yet approved this reform, but we hope it will join the mainstream. That reform would enable us to have a run-off election to elect the president. Furthermore, each political party would be able to field only one candidate, and other substantive changes would be introduced to simplify our system.

Today's reality shows us that the countries which have achieved spectacular growth are those which managed to work out agreements both on the political front as well as in the heart of society between workers, businessmen, producers, and retailers. We are here, calmly trying to foster concord and a meeting of minds. Consensus, a united front, rather than confrontation, will help us to carve a better future for us, and this is precisely what we are doing.

Nineteen ninety-five is slipping through our fingers, but believe me, we have done a lot. We have attained goals that at other times, perhaps not far off, would have been unthinkable. This is the season of the family — when we relax after a year of hard work and tension, and we open up our spirit to have a profound awareness of our emotions and feelings and share them with our children, grandchildren, parents, and grandparents.

I would like to take this opportunity to wish you and everybody the best of luck. Happy New Year.

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Military Lodge Members Meet With Tupamaro Leader

PY1601162796 Buenos Aires CLARIN in Spanish 12 Jan 96 p 19

[Article written especially for CLARIN by Fernando Butazzoni]

[FBIS Translated Text] Montevideo — Uruguay's local politics were in a turmoil on 11 January after it was learned that Eleuterio Fernandez Huidobro, the historical leader of the National Liberation Movement (Tupamaros) [MLN], had held at least one meeting with three officers who belong to a military lodge called "Artigas' Lieutenants" [Tenientes de Artigas].

The daily LA REPUBLICA published a lengthy article written by Fernandez Huidobro in which the latter explains the lurid details of the clandestine meeting held at a secret location in Montevideo.

The Tupamaro leader says in his article that during the meeting, the military officers informed him that the lodge has "some 500 members from the three arms of the Armed Forces, mainly young colonels, lieutenant colonels, majors, and captains."

President Julio Maria Sanguinetti was attacked in the article in question. Fernandez Huidobro accuses the head of state of having links with the CIA and of ignoring seniority within the Armed Forces to appoint an Air Force officer who is a personal friend of his to a key position.

Not long ago, the press exposed the existence of military lodges, something which was denied by the defense minister, but accepted by General Juan Curuchet, Army commander in chief.

According to Fernandez Huidobro, the members of the aforementioned lodge played "an important role" in the reinstatement of democracy in 1984, since they instigated an insubordination that thwarted de facto President Gregorio Alvarez's attempt at remaining in power.

Concern and Uncertainty

Fernandez Huidobro does not hold any position within the MLN at present, but is the top "historical" leader of the Tupamaros following the death of the legendary leader Raul Sendic. Fernandez Huidobro was one of the leading Tupamaro activists at the time of the armed struggle and was held in custody under extremely harsh conditions during the military dictatorship (1973-84).

Fernandez Huidobro is reputed to be an expert in military issues. He participated in the negotiations the MLN conducted with the Army in 1972 with a view to declaring a truce and reaching a political consensus to extricate Uruguay from the deep crisis in which it was enmeshed.

The negotiations failed and the ensuing "war of 1972" ended with the defeat of the MLN and the usurpation of power by the military.

Now, the fact that Fernandez Huidobro laid bare the power struggle within the Armed Forces has caused some uncertainty, as very few people believe that mere "journalistic interest" moved the Tupamaro leader to make such a revelation. A high-ranking source of the Colorado Party who chose to remain anonymous told CLARIN that "the power struggle within the Armed Forces is, of late, full of signals and it is my considered opinion that Fernandez Huidobro's newspaper article is yet another signal sent by the military. A worrisome signal."

In his article, the Tupamaro leader said that at the meeting he held with the three officers, both parties took the following pledge: "If we should take up arms against each other, let us do so on account of our own decision rather than prompted by the diabolic machinations of those who did not even risk a drop of their blood on the streets."

In a country that believes the times of the armed struggle have been definitely overcome, the remarks made by the top leader of the former Tupamaro guerrillas have caused concern and visible annoyance in vast political and social sectors.

Undercover Activities

Word has been circulating, unofficially, for at least three years that there are several clandestine military groups in Uruguay called "lodges," which operate outside the Armed Forces' institutional regulations. These lodges have their own structure and different ranks from the ones established by their commands.

One of these lodges — seemingly the first one to be established and the one that has the most clout and cohesion — is the so-called "Artigas' Lieutenants."

Another clandestine group, known as the "Sauerkraut Lodge" [Logia del Chucrut], was founded by former President Gregorio Alvarez [1981-85]. It is said that the top leader of this lodge is General Fernando Amado, who is about to leave for Africa to command a UN peacekeeping mission in the Western Sahara.

The "Artigas' Lieutenants" accuse the "Sauerkraut Lodge" of endorsing the ruling party at all times — this lodge supported the military regime, then gave its allegiance to [President] Julio Maria Sanguinetti and

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[President] Luis Alberto Lacalle, and now supports Sanguinetti in his second presidency.

Finally, another lodge that should be mentioned is the "Rodosca Lodge," a veiled honorary reference to the Uruguayan writer Jose Enrique Rodo [1872—1917].

This complex and even picturesque state of affairs is a source of concern for the military high command, which fears that the current war of rumors between the lodges will trigger a more serious clash between them.

French Guiana

Ariane Rocket Launched; 2 Satellites Placed Into Orbit

PA1301025196 Madrid EFE in Spanish 0029 GMT 13 Jan 96

[FBIS Translated Text] Kourou (French Guiana), 12 Jan (EFE) — An Ariane European rocket was launched today in French Guiana. It placed into orbit two communications satellites that it carried on board, a U.S. satellite and a Malaysian satellite.

Rocket No. 82 of the European Space Agency (ESA) was launched at 2010 local time (2310 GMT) from the aerospace complex in Kourou, on the northeastern coast of South America.

Twenty minutes into the launch, the rocket placed into orbit a U.S. communications satellite, "Panamasat-3R," and six minutes later it placed into orbit "Measat-1," Malaysia's first satellite.

The two satellites have a mass of 4.3 tons, for which reason during today's launch, the most powerful model currently deployed, the "Ariane 44L," was used. The "Ariane 44L" is equipped with four powerful external liquid fuel boosters.

The new "Jupiter 2" Control Center was used for the first time on this 82d launch. The "Jupiter 2" is equipped with the latest technical advances and will be used for future "Ariane V" launches.

This new control center, was designed and built by the ESA and the National Space Center (CNES) at a cost of $15 million.

"Panamsat-3R" and "Measat-1" were designed and built by the "Hughes and Space Communications" company in California. The U.S. company is the most important company in the sector and a traditional client of "Arianespace," the company that markets the European rocket.

The 2,918 kg U.S. space satellite replaces another satellite destroyed in the failure of an "Ariane" rocket launched on 1 December 1994.

Despite this failure, the seventh suffered by the European rocket, "Panamsat Corporation" entrusted "Arianespace" with the placing into orbit of another satellite in August.

This new model of the "Panamsat" series will be placed into orbit over the Atlantic Ocean, 43 degrees longitude west, to guarantee transmission and telecommunications services in the United States, excluding Alaska, South America, and parts of Africa.

The 1,450 kg "Measat-1" is the first satellite launched by Malaysia and belongs to "Binariang," a private company.

The Malaysian satellite will have an orbit of 91.5 degrees longitude east to provide telecommunications services to this Southeast Asian country.

The launch was scheduled for early this week but had to be delayed because of a technical problem in the Malaysian satellite.

Currently, "Ariane" has a list of 40 satellites waiting to be launched: three European, nine Asian, four U.S., and a number of other satellites from various countries or international organizations.

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